

FBIS

DAILY REPORT

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OFFICIAL ON THIRD WORLD ECONOMIC COOPERATION

OW161001 Beijing XINHUA in English 0855 GMT 16 Jan 85

[Text] Beijing, January 16 (XINHUA) -- China has signed 1,800 economic contracts with 52 Third World countries or regions, according to a government official. In an interview with OUTLOOK weekly published in its latest issue, Lu Xuejian, vice-minister of foreign economic relations and trade, disclosed that these contracts involved three billion U.S. dollars. In addition, he said, more than 40,000 Chinese technicians and skilled workers are working abroad. They are engaged in construction and industries such as food processing, consumer goods and textiles, building materials, machinery, petroleum and chemicals.

China has independently contracted for several projects abroad, including quite a few big ones. Also, Lu said, China has been running in the Third World more than 70 joint ventures, including farms, fisheries, timber mills, furniture factories and restaurants. Up to now, the vice-minister said, China has established relations of economic assistance with over 80 developing countries, and completed more than 1,000 industrial and agricultural projects. Lu has been in charge of China's economic cooperation with Afro-Asian countries for some 20 years. He has visited many African countries, accompanying Premier Zhao Ziyang or other leaders.

In economic and technical cooperation with other Third World countries, he said, China has been following the principles of "equality and mutual benefit, stress on practical results, diversity in form and achievement of common progress." These principles were first announced by Premier Zhao during his African tour between December 1982 and January 1983. Cooperation with other Third World countries, he said, is a mainstay of China's foreign policy. This policy is based on the belief that South-South cooperation will increase self-reliance and promote South-North dialogue. He predicted that 1985 would witness greater progress in economic cooperation between China and the Third World.

PRC TO HOLD MORE INTERNATIONAL S&T SYMPOSIA

OW170818 Beijing XINHUA in English 0636 GMT 17 Jan 85

[Text] Beijing, January 17 (XINHUA) -- The China Association for Science and Technology and its societies will hold 36 international symposiums this year, the most in China in recent years. Fang Jun, deputy director of the association's division of international affairs told XINHUA that with the open policy toward the outside world, scientific exchanges between Chinese and foreign scientists had rapidly increased. Since 1981, the association and its societies have sponsored more than 50 international academic symposiums attended by over 6,000 scientists from 60 countries and 10,000 from China.

This year's will be on energy, medicine, building materials, optical fiber, automation, aero-engines, mechanics, rare-earth applications and fish-farming. The association and its societies belong to 83 non-government international scientific organizations, of which fifty-four Chinese scientists are council members, executive committee members or vice presidents. Every year China sends more than one thousand scientists and scholars to international meetings abroad. Fang noted that international meetings in China would help the country's science and technology, as well as promoting understanding and friendship among scientists and acquainting younger Chinese scientists with the latest world developments.

VESSEY ENDS HANGZHOU TOUR, LEAVES FOR SHANGHAI

OW180134 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 17 Jan 85

[Text] General John Vessey, chairman of the U.S. Joint Chiefs of Staff; Mrs Vessey; and their party concluded their visit to Hangzhou and left by special plane for Shanghai this morning. They were seen off at the airport by Kang Mingcai, commander of the Zhejiang Provincial Military District, and others.

Gen John Vessey and his party arrived in Hangzhou from Shenyang on 16 January in the company of Yu Jianzhong, deputy director of the Foreign Affairs Bureau of the Ministry of National Defense. That evening, Gen Vessey was honored at a banquet hosted by Commander Kang Mingcai at the (Wanhu) Guesthouse.

During his stay in Hangzhou, Gen Vessey toured West Lake and a number of other scenic spots and places of historic interest. He also visited a PLA Air Force unit and watched an Air Force flight demonstration.

WANG BINGNAN'S MEMOIRS ON SINO-U.S. TALKS

Part 13

HK111259 Guangzhou GUANGZHOU RIBAO in Chinese 2 Dec 84 p 3

[Article by Wang Bingnan: "The 9-Year Sino-U.S. Talks in Retrospect -- Part 13"]

[Text] Chapter II Geneva Talks

The Selection of the CPC Central Committee

In April 1955, I took up the post of Chinese ambassador to Poland. One day at the end of July, the bright sun was shining over beautiful Warsaw. Comrades working in the embassy went to the outskirts for a picnic. I very much liked the scene on the outskirts of Warsaw. We found the green bushes and open country pleasing to both the eye and the mind. We felt relaxed and happy. When we were sitting together talking cheerfully and eating our food, a confidential secretary gave me a telegram sent by the Foreign Ministry.

This was a telegram for the office of the Chinese charge d'affaires in Britain, to the effect that through the mediation of Britain, the United States had advanced a proposal on Sino-U.S. talks at ambassadorial level. A copy of the telegram had been sent to the Chinese Embassy in Warsaw. I felt puzzled after reading the telegram. Why had a copy of a telegram for the office of the charge d'affaires in Britain been sent to the embassy in Warsaw? Every comrade talked about this matter. They guessed that Ambassador Wang would possibly be sent to participate in the talks. I never thought of this myself, because after the Geneva Conference, I was no longer in charge of matters regarding Sino-U.S. relations.

Several days later, the Foreign Ministry sent a message officially notifying me that I had been appointed senior representative of the Chinese side at the ambassadorial-level Sino-U.S. talks. The U.S. side appointed its ambassador to Czechoslovakia, Johnson, as its negotiator at the talks. It was a coincidence that the two rivals at the Geneva Conference came to grips again.

After receiving the notice, I was uneasy and even disturbed. Although I participated in the Sino-U.S. meetings at the Geneva Conference, there was a powerful delegation at my side, and there were many experienced "capable persons" who suggested ways and means. In particular, I was working by the side of Premier Zhou. I could personally listen to his teachings, and go about things according to his direct instructions. When doing things, I could rely on the prime minister. However, as a chief negotiator, I had to take sole charge of everything. Although I could contact the government and the premier at all times, I was far from the motherland, and should make decisions, analyses, and judgment myself with regard to many things. I should also actively put forward suggestions to the government, and be good at acting according to circumstances. I was not allowed to commit a single mistake. It was absolutely not easy to do so. The situation was complicated, and what I was doing was a matter of prime importance, to which the whole world paid close attention. I felt as if a heavy burden had been laid on me.

Of course, I also thought of some other, beneficial factors. To deal with the talks at ambassadorial level, the Foreign Ministry specially set up a guiding group responsible for the Sino-U.S. talks. The group was responsible for devising measures to be taken at the talks. The group leader was Zhang Hanfu, the deputy group leader Qiao Guanhua, and secretary-general, Dong Yueqian. In addition, its members included Gong Peng, Pu Shan, Wang Baoli, and so on. A brain trust comprised of a galaxy of talent was my mainstay. What gave me assurance was that the group was working directly under the leadership of Premier Zhou, and that Qiao Guanhua, who was called a "talented scholar," was responsible for specific work. As far as I was concerned, I had had dealings with the Americans as early as the 1930's. I was familiar with their thinking, work style, and the way they handled things. Generally speaking, they were frank, open, lively, and easygoing. Comrade He Long once told me that when the central authorities were selecting the negotiator, there were several candidates in addition to myself. Due to my experience in foreign affairs for 10 years or so in the party, and to having had long-term contacts with, and being familiar with, the Americans, I was eventually selected as chief negotiator on the Chinese side.

The matter of my contacts with the Americans made me recall the diplomatic work of our party during the war of resistance against Japan. Indeed, the contacts between the CPC and the Americans did not begin after the CPC became a ruling party. They started during the period of the war of resistance against Japan. Comrade Zhou Enlai worked in the KMT-controlled area for a long time, and led the party work in the area. In 1938, to meet the demand for giving publicity to the party policy on resisting Japan, an external propaganda group was established directly under the southern bureau. The group worked under the direct leadership of Comrade Zhou Enlai, and I was responsible for specific work. Members of the group included my former wife Anna von Kleist, Bi Shuowang, Xu Mengxiong, and others. These members of the group had a good command of English. The task of the group was to translate the works of Chairman Mao, articles on the war of resistance against Japan, and the battlefield reports of the 8th Route Army. The article "On the Protracted War" and others, written by Chairman Mao during the war of resistance against Japan, were first translated by our group.

Part 14

HK111301 Guangzhou GUANGZHOU RIBAO in Chinese 3 Dec 84 p 3

[Article by Wang Bingnan: "The 9-Year Sino-U.S. Talks in Retrospect -- Part 14"]

[Text] We vigorously publicized the party's advocacy of a united front and the achievements of the liberated areas.

During the initial period of the second cooperation between the CPC and the KMT, the two parties carried out their cooperation relatively smoothly and the work of the external propaganda team flourished. In Wuhan, we had discussions with Rewi Alley, Edgar Snow, and Agnes Smedley and decided to set up a national industrial cooperative. We also made arrangements for Doctor Bethune, an Indian medical team, and others to go to Yanan. It was precisely in this period that our work team began to contact some Americans. At that time, General Joseph W. Stilwell, military attache of the U.S. Embassy to China, Colonel Evans F. Carlson of the U.S. Marine Corps, and other people in the American Consulate General had frequent contact with us. At that time, the KMT did not interfere in or restrict these activities in our work.

In October 1938, Wuhan was lost and all the party organizations were moved to Chongqing, the then alternate capital of the Chiang Kai-shek government. In 1939, Comrade Ye Jianying announced on behalf of the south China bureau the formal establishment of the foreign affairs team. I was appointed head of the team, Chen Jiakang was deputy head, and Qiao Guanhua, Gong Peng, Li Shaoshi, Zhang Wenjing, Liu Guang, Chen Hao, and others were members of the team. The foreign affairs team worked under the direct leadership of Comrade Zhou Enlai. As a result, our party's external activities were carried out more vigorously, so that we broke the situation of only one party, the KMT, carrying out diplomatic activities, and won the understanding, sympathy, and support of the antifascist allies, including Britain and France. The foreign affairs team had contacts with all the embassy reporters and military organizations of the various countries. What is particularly worth mentioning is the work done by Gong Peng, who was a capable female member of our team and who was in charge of contacting the news reporters of various countries. She did her work prominently and even now many old reporters who worked in Chongqing remember and respect her.

At that time, one of the important aspects of the work of the foreign affairs team was obtaining international aid, and the key to the work was to obtain aid from the United States. On Comrade Zhou Enlai's instruction, we made friends widely and deepened friendships. We became acquainted with the personnel of the U.S. military headquarters in China and the U.S. Embassy in China and with reporters of U.S. press circles. We paid particular attention to making friends with those among them who adopted an objective attitude toward the CPC and we worked on them. For example, I had many contacts with U.S. Ambassador Gauss and Councillor John Carter Vincent, and became good friends with young diplomats in the U.S. Embassy, including Davies, the (Service) [Xieweisi: 6200 0251 1835] brothers, (Efty Tremlett), George Atchison, Freeman Tawney, and Philip Sprouse; and with Mac Fisher, John King Fairbank, and Colonel David D. Barrett. We often met, discussed problems, and exchanged opinions. I gave them some Yanan propaganda materials to read. Some of them were descendants of missionaries sent by the United States, had grown up in China, were familiar with things in China, were considerate, and spoke Chinese fluently. Generally, they were indignant regarding the corrupt rule of the KMT government and wanted to know something about the CPC, the largest party in China not in office. Even now, I cherish the memory of General Stilwell, who was commander in chief of the U.S. Far East Military Region and who was an honest soldier filled with a sense of justice. He established a friendly relationship of mutual respect and confidence with us.

Through our work and through the efforts of American friends, in 1944 a small number of U.S. news reporters first broke the blockade of the KMT and visited Yanan. They gave many reports to the world on the CPC, who had won the support of the people and who had conscientiously fought against Japan, and on their interviews with Chairman Mao, Zhou Enlai, and other CPC leaders. Soon afterward, President Franklin Roosevelt sent Vice President Wallace to visit China.

Urged jointly by General Stilwell and ourselves, the United States proposed sending a military observer mission to Yanan. Chiang Kai-shek feared that the United States would thus know the true situation there and many times rejected this proposal. At a meeting with Chiang Kai-shek, Wallace told Chiang that if Chiang continued to reject the proposal on the visit of a U.S. military observer mission to Yanan, the United States would cut its military aid to Chiang Kai-shek. Under such pressure, Chiang was forced to satisfy this demand of the United States. Colonel Dixie made preparations for and organized the observer group, which was headed by Barrett. This mission arrived at Yanan in July 1944. They were enthusiastically welcomed by Chairman Mao and Premier Zhou and they made an on-the-spot investigation in the Yanan liberated area. The democratic atmosphere everywhere in Yanan, the strict discipline of the troops led by the PLA, the spirit of hard struggle of the officers and soldiers in Yanan, and the pithy analysis of the situation by Chairman Mao, Premier Zhou, and other leading comrades impressed them deeply.

The flourishing revolutionary atmosphere constituted a sharp contrast to the corruption in the areas under the rule of the KMT. Xie wei en [6200 0251 1869] and others were also members of the observer group. This visit opened their eyes and enabled them to have a clearer view of the situation in China. In their report to the U.S. Government, they correctly estimated the Chinese situation and reflected the corruption and incompetence of the KMT government and its passive attitude toward the resistance against Japan. At the same time they praised the CPC's policies in resisting Japan. They proposed that the United States should not implement a policy of supporting Chiang and opposing the communists and wanted it to support the CPC. It was a pity that their penetrating judgement was not accepted by the U.S. State Department, which always banked on the KMT and thus caused a serious historic mistake of far-reaching impact in the China policy of the U.S. Government.

Part 15

HK140513 Guangzhou GUANGZHOU RIBAO in Chinese 16 Dec 84 p 3

[Article by Wang Bingnan: "The 9-year Sino-U.S. Talks in Retrospect -- Part 15"]

[Text] Comrade Zhou Enlai was delighted to see the U.S. military observers mission arrive in Yanan. In a letter to me he said: "Your letter flying to me pleases me very much. Now that we have established ties with them, it will be easy for both sides to keep in touch in the future. Your efforts have finally brought about good results. The prospects are simply boundless. Jiakang has just come back (author's note: this denotes Chen Jiakang's return to Yanan from Chongqing) and has told us about what has happened this year. Thank you all for your great efforts....

"We send you a lot of books and newspapers this time. You can select some of them to reprint and distribute in the United States. Father (Xia Nanhan) [1115 0589 3352] has taken away a copy of the English version of the report by the chief of staff (author's note: Chief of Staff Ye Jianying). If you cannot get the copy from him, you may perhaps translate it yourself and have copies of the translation distributed. Probably Colonel Barrett (author's note: Colonel David D. Barrett, a colonel of the U.S. Army) has already copied the report and sent it to the Stilwell headquarters.

"Some American friends have written to us. I would like you to write back for us. I hope you can maintain contact with these friends: Edgar Snow, Agnes Smedley, Evans Carlson, John Carter Vincent, and (Belton) [4101 1422 4098]. Have you heard anything from (Breadland) [4101 3676 5695] in the concentration camp in Hong Kong? Please send us some copies of the booklets that you have published in English by the next flight. We hope we can have three copies of each edition on hand. As for the year's work report, you had better ask our revered Comrade Lin (author's note: Lin Boqu) to bring it back....

"Zhou Enlai, 6 August 1944"

The reader can see what great importance Comrade Zhou Enlai attached to our contacts with American friends as well as to the work of the external affairs section at that time. Although he then stayed in Yanan, he still gave specific instructions to us and encouraged us to work hard.

I still remember that it initially took 15 days to travel from Chongqing to Yanan by car. It was only after the arrival of the U.S. military observers mission in Yanan that there was a regular flight between Chongqing and Yanan. What Comrade Zhou Enlai said in his letter -- "your letter flying to me" -- reflects the situation at that time. When the first airplane landed in Yanan, there was an accident as the runway was not long enough. Fortunately, nobody was injured in the accident. When receiving the crew of the plane, headed by David Barrett, Chairman Mao humorously asked them: "Was anybody injured? Anyway, it is not the horse's responsibility."

I still remember that we waged a struggle against the KMT over the question on the delegation to the UN founding ceremony in 1945. The KMT's attempt to monopolize the whole delegation by their own delegates encountered strong objection from the CPC. We demanded that the CPC be represented in the delegation and nominated Comrade Dong Biwu as the CPC representative; Guo Moruo and I as advisers; and other comrades including Wu Xiuquan, Zhang Hanfu, Shen Qizhen, and Chen Jiakang as members of the delegation. However, the KMT tried in every possible way to reject this justified demand by the CPC. And finally, after exhausting all pretexts, the KMT agreed to let our party be represented in the delegation by Dong Biwu, Zhang Hanfu, and Chen Jiakang only.

Despite all the obstacles the KMT had thrown in our way, we managed to surmount every difficulty and did a great deal of work among foreign diplomatic envoys and reporters in China. Many of them appreciated our call for resistance against the Japanese aggressors. And, with pleasure, they took an active part in publicizing the honest and democratic image of the CPC while exposing all sorts of malpractices by the KMT. Chiang Kai-shek was very discontented with this. It was reported that he once flew into a rage, scolding the enormous KMT propaganda organization for losing the upper hand to a small group of the CPC. In a note sent to the KMT Propaganda Department, he angrily said: All you guys are so stupid and indolent in studying that you are defeated by the CPC. What a pity this is!

DELEGATION TOURS HEILONGJIANG, INCREASES TRADE

Arrives in Mudanjiang

SK140443 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 13 Jan 85

[Text] The All-Union Dalintorg Association delegation headed by [words indistinct], deputy general manager of the Soviet Foreign Trade Ministry, arrived in Mudanjiang on 4 January. [passage indistinct] At the invitation of the provincial Sino-Soviet Friendship Association, the delegation visited the ice lamp exhibition and the provincial exhibition hall in Harbin and toured the city and shops.

Chen Jianfei, adviser to the provincial Sino-Soviet Friendship Association, and Wang Yaochen, president of the provincial Sino-Soviet Friendship Association, met with and hosted a banquet for the delegation. The two parties spoke glowingly of the broad prospects for the trade development. Attending the banquet were (Zhou Peisan), vice chairman of the provincial Foreign Affairs Office; (Liu Wenrong), deputy director of the provincial Department of Foreign Economic relations and Trade; and (Shi Shunrong), general manager of a provincial trade company.

Increases Border Trade

OW151843 Beijing XINHUA in English 1618 GMT 15 Jan 85

[Text] Harbin, January 15 (XINHUA) -- Heilongjiang Province, in northeast China, and the Soviet Far East will increase their border trade by a big margin in 1985, according to authorities here today.

Chinese and Soviet trade delegations held talks on 1985 border trade in Mudanjiang from January 4 to 14.

During the talks the two sides decided on lists of imports and exports, and signed minutes of talks and contracts on some of the commodities.

Under the agreements, Heilongjiang will import goods including timber, cement, soda ash, chemical fertilizers, glass, automobiles, motorcycles and refrigerators. The Soviet Union will import pork, tinned foods and fruit, soy sauce, thermos bottles, towels, children's garments, woolen blankets, glazed tiles and fur hats.

Delegation Ends Talks

OW161201 Beijing in Russian to the USSR 1800 GMT 15 Jan 85

[Text] Having completed trade talks for the year 1985 with the trade delegation of the Chinese Government in the Chinese city of Mudanjiang, the trade delegation of the All-Union Dalintorg Association of the USSR Foreign Trade Ministry, led by (Murzayev), deputy general manager of the All-Union Dalintorg Association, left for home via the Chinese border city of Suifenhe on 14 January.

The talks were held in a cordial and friendly atmosphere. The two sides signed a protocol on the talks and contracts for some types of goods. Compared with last year, the total volume of exports and imports will increase by a relatively small amount.

During the period of the talks, the All-Union Dalintorg Association delegation, at the invitation of the Heilongjiang provincial branch of the China-USSR Friendship Association, on 8 January arrived in Harbin city where it viewed ice lanterns, visited the exhibition hall, and admired the city panorama.

ZHAO ZIYANG TALKS WITH DPRK'S KONG CHIN-TAE

SKI80531 Beijing International Service in Korean 1100 GMT 16 Jan 85

[Text] On the afternoon of 15 January, Zhao Ziyang, premier of our country's State Council meeting with the Korean Government economic delegation led by Kong Chin-tae, vice premier of the DPRK State Administration Council, had a talk with it in a friendly and serious atmosphere.

The two sides expressed satisfaction over the uninterrupted development of the unity and friendly and cooperative relations between the two parties and two countries and broadly exchanged views on matters designed to further expand and develop economic and trade cooperation between the two countries.

Vice Premier Kong Chin-tae thanked the Chinese party and government for the fraternal support and assistance to Korea.

Premier Zhao Ziyang first introduced China's economic condition in recent years. Then, saying that China has never been satisfied in carrying out its internationalist duty, he stressed that China is unable to carry out its international duty because of the financial and trade restrictions.

Premier Zhao Ziyang said that if China's economic situation improves, it will concentrate more efforts on this.

Earlier in the morning, Vice Premier Tian Jiyun and Vice Premier Kong Chin-tae had a talk in a friendly atmosphere.

JAPANESE GOVERNMENT URGED TO CHANGE DPRK POLICY

OWL72047 Beijing XINHUA in English 1845 GMT 17 Jan 85

[Text] Tokyo, January 17 (XINHUA) -- A prominent Japanese figure today urged the government to abandon its position of not making contacts with the Democratic People's Republic of Korea (DPRK) to help reduce tension between the North and South parts of Korea. Addressing a forum on defusing tension in the Korean peninsula, Kaheita Okazaki, advisor to the All Japan Airways Company, said conditions are now ripe for doing so and Japan should make efforts toward this, end.

"The Japanese Government once guaranteed that it would not have any contact with DPRK. The guarantee should be dropped if Japan wants to seek peace in the Korean peninsula," he said. "To seek Japan-Korea friendship, Japan should open a trade office in DPRK," suggested one leader of the ruling Liberal Democratic Party in charge of construction at the meeting.

More than 100 people from financial and other circles attended the forum organized by a nongovernmental organization on Japan-China communication.

JAPANESE STEEL EXPORTS TO U.S., PRC GROW

OWL72049 Beijing XINHUA in English 1839 GMT 17 Jan 85

[Text] Tokyo, January 17 (XINHUA) -- Japan's total steel output in 1984 reached 105.58 million tons, registering a 8.6 percent increase over 1983. The Japan steel federations in announcing the output today attributed the sizable increase to a boost in production of electrical machinery, cars and ships following Japan's economic recovery, as well as to the growing exports to the United States and China. Steel production in Japan shot up to a record of 119.32 million tons in 1973 and there had been a trend of decline since then.

PRC, HONG KONG NUCLEAR POWER CONTRACT SIGNED

Zhao Meets Delegation

OW181104 Beijing XINHUA in English 1047 GMT 18 Jan 85

[Text] Beijing, January 18 (XINHUA) -- Premier Zhao Ziyang told a visiting delegation from the Hong Kong Nuclear Power Investment Company here today that it was of great significance and a good start to sign a contract on Guangdong-Hong Kong nuclear power station soon after the signing of the Sino-British Joint Declaration on Hong Kong. The delegation, headed by Lord L. Kadoorie, president of the China Light and Power Co. Ltd. has come here to sign the contract on the establishment of a joint venture for the construction of the Guangdong nuclear power station.

Zhao Ziyang said that there was a bright future for economic and technical cooperation between Hong Kong and the mainland following the removal of the political obstacle between China and Britain.

Lord Kadoorie expressed the hope that today's cooperation would lead to more and greater cooperation and that the cooperation in building the nuclear power station would herald more cooperative projects.

Zhao said that the Chinese Government attached great importance to the nuclear power station project which is the biggest joint venture undertaken by China since it opened itself to the outside world. It is also the country's first nuclear power station with a capacity of over one million kilowatts, he added.

"Through this project," he added, "we can gain experience in construction and management. This cooperative project will exert a big impact on both China's four modernizations and Hong Kong's economic prosperity."

The premier pointed out that the China Light and Power Company Limited of Hong Kong, in undertaking this nuclear power station project, would stimulate more Hong Kong and foreign entrepreneurs to invest in China or enter into various forms of cooperation with China.

Lord Kadoorie said that the present project was a link in a chain of cooperative projects. He pledged all-out effort to make the project a success.

Chinese Vice-Premier Li Peng was present at the meeting.

Li Reiterates Nuclear Policy

OW180954 Beijing XINHUA in English 0935 GMT 18 Jan 85

[Text] Beijing, January 18 (XINHUA) -- Chinese Vice-Premier Li Peng reiterated here today that China had no intention, either at present or in the future, to help non-nuclear countries to develop nuclear weapons and would abide by the stipulations of the International Atomic Energy Agency. He stressed that China's nuclear cooperation with other countries was confined to peaceful purposes alone.

Li Peng made this statement in an interview with XINHUA before the signing of a contract on building a nuclear power station in Guangdong, a joint venture of Guangdong and Hong Kong. The vice-premier said that the construction of the power station marked China's beginning in building large nuclear power station. It is the biggest joint venture China has ever undertaken since it implemented the policy of opening to the outside world, he added.

Li said China was cooperating or discussing cooperation in nuclear energy with France, the Federal Republic of Germany, the United States, Brazil, Pakistan and Japan.

On China's nuclear policy, he said that Premier Zhao Ziyang declared at the Second Session of the Sixth National People's Congress held in May 1984 that China was critical of the discriminatory "treaty on the non-proliferation of nuclear weapons" and had declined to accede to it, and that, on the other hand, China by no means favored nuclear proliferation, nor did it engage in such proliferation by helping other countries develop nuclear weapons.

Li Peng said: "I would like to reiterate here that we have no intention, either at present or in the future, to help non-nuclear countries develop nuclear weapons."

He said: "Last year, China joined the International Atomic Energy Agency and was appointed a council member country. China will maintain good relations of cooperation with the agency and commit itself to its due obligations and abide by the agency's stipulations."

Asked about China's policy on developing nuclear power, Li said that in view of its energy resources, China would, in the near future, mainly develop thermal power in addition to hydraulic power, with nuclear power as a supplement.

He said that China would rely on itself for the fuel needed by its nuclear power stations and establish a comprehensive nuclear fuel cycling system.

In building the first batch of such stations, the vice-premier noted, China would enter extensive cooperation with other countries. It would import technology as well as equipment, and, through co-production, gradually increase its ability to manufacture nuclear power equipment, thus laying a foundation for its further development of nuclear power.

Agreement Signed

OW180956 Beijing XINHUA in English 0943 GMT 18 Jan 85

[Text] Beijing, January 18 (XINHUA) -- A contract on setting up a joint venture for the construction of China's first big nuclear power station in Guangdong was signed here this afternoon. The contract was signed by Zhao Qingfu, vice-minister of water resources and electric power and acting chairman of the Guangdong Nuclear Power Joint Venture Company Limited, and W. Stones, chairman of the Hong Kong Nuclear Power Investment Company. Chinese Vice-Premier Li Peng attended the signing ceremony.

Located at Guangdong's Daya Bay, the project with a capacity of 1.8 million kilowatts is expected to complete in seven years. Seventy percent of the electricity generated by the station will be transmitted to Hong Kong, and the rest will be for local use. Officials here said that the construction of the nuclear power station would contribute to the maintenance of Hong Kong's prosperity and stability and Guangdong Province's economic development.

It is learnt that China plans to build, in economically developed areas lacking energy resources, a number of nuclear power stations with a combined capacity of 10 million kilowatts by the end of this century.

PRC GREETES VIETNAM ON RELATIONS ANNIVERSARY

OW181238 Beijing in Vietnamese to Vietnam 1100 GMT 18 Jan 85

[Text] On 17 January, PRC Foreign Minister Wu Xueqian addressed a message of greetings to SRV Foreign Minister Nguyen Co Thach on the 30th anniversary of the establishment of Sino-Vietnamese diplomatic relations. The message says:

On the occasion of the 30th anniversary of the establishment of PRC-SRV diplomatic relations, I convey to the fraternal people of Vietnam my sincere greetings.

China and Vietnam have a common border and the peoples of the two countries have cultivated a warm friendship in the protracted struggles against imperialism and colonialism.

The Chinese Government and people highly treasure this long-standing friendship between the peoples of our two countries and will unswervingly make tenacious efforts to reestablish the relations of neighborliness, concord, and friendship between the two countries.

XINJIANG LEADER SEEKS COOPERATION WITH HONG KONG

OW172055 Beijing XINHUA in English 1848 GMT 17 Jan 85

[Text] Hong Kong, January 17 (XINHUA) -- Xinjiang would make use of the law of regional national autonomy to better implement the policy of opening to the outside world, said Ismail Amat here today.

He said Xinjiang would take a bigger step towards utilizing investment and importing advanced foreign technology.

Ismail Amat, chairman of the People's Government of the Xinjiang Uygur Autonomous Region, made the remarks at a press conference and a cocktail party here.

He said preferential policies would be carried out concerning utilization of foreign investments.

He said that, among other things, the power of examination and approval in foreign trade would be decentralized; some preferential treatment in taxation given; less or no money charged for utilization of land; preferential labor service fees asked; the duration for joint ventures using foreign investment prolonged.

Ismail Amat said that he had brought a list of 103 projects to Hong Kong for overseas cooperation, in light, textiles, food-processing, chemical and machine-building industries, agriculture, forestry and animal husbandry.

He said a Xinjiang export commodity fair would be opened in Hong Kong next August. A symposium on economic and technical cooperation with foreign countries would be held in Urumqi, capital of the region at the same time.

AFGHAN RESISTANCE LEADER ON FUTURE OPERATIONS

OW161933 Beijing XINHUA in English 1834 GMT 16 Jan 85

["Afghan Resistance Leader on Prospects for 1985" -- XINHUA headline]

[Text] Peshawar, Pakistan, January 16 (XINHUA) -- An Afghan resistance leader told XINHUA here today that the year of 1985 will witness still larger operations launched by the Afghan mujahidin (holy war fighters) against the Soviet and Karmal troops.

"The Afghan mujahidin are determined to carry on their resistance against the Russian occupation troops. Fighting between the Afghan mujahidin and Soviet and Karmal troops will be intensified this year. Casualties are likely to increase on both sides," said Gulbuddin Hikmatyar, vice president of the Islamic Alliance of Afghan Mujahidin.

Hekmatyar, who is also chief of the Islamic Party of Afghanistan (Hezb-e-Eslami), challenged the view held by certain people that the Afghan resistance forces cannot possibly endure sustained large-scale Soviet offensives and resistance may die out some day in that country.

The mujahidin have changed their tactics from attacking the enemy in small groups to a united one capable of assaulting big garrisons, he said. They have "unleashed attacks in urban areas as well as in the countryside, inflicting heavier casualties on the Soviet troops in Afghanistan," he added. "The Soviet authorities may further increase their military presence in Afghanistan, but time is in favor of the resistance," he declared.

NAVAL INCIDENT HEIGHTENS SRI LANKA-INDIA TENSIONS

OW171234 Beijing XINHUA in English 1159 GMT 17 Jan 85

["Roundup: Tension Intensifies in Palk Strait (by Ma Shengrong)" -- XINHUA headline]

[Text] Colombo, January 17 (XINHUA) -- Tension has intensified in the Palk Strait, a narrow waterway separating Sri Lanka and India, since January 11 when a Sri Lankan Navy patrol boat was captured by Indian coast guards.

The Sri Lankan Foreign Ministry said in a recent press release that the patrol boat, on routine patrol in its own waters, was intercepted when it responded to a signal by an Indian Coast Guard vessel to come alongside. Sri Lanka has asked for an immediate return of the boat and for a solution of the incident through diplomatic channels.

But Indian officials, as quoted by reports from New Delhi, said that the Sri Lankan craft was captured by Indian coast guards well in Indian territorial waters after it had chased over 50 Indian fishermen in the Palk Strait and seized their prawn catch. India rejected Sri Lanka's request and handed over the seven crew members of the craft to the police for interrogation. A report from New Delhi said that India had also sought the release of 17 Indian fishermen being prosecuted in Sri Lanka for poaching in Sri Lankan waters as a condition for the release of the Sri Lankan boat.

In a further effort, Sri Lankan envoy to India called on Indian Prime Minister Rajiv Gandhi yesterday and discussed the matter, but no detail was released. Informed sources said that it seems there is no speedy solution to the incident.

Tension in the Palk Strait stemmed from the ethnic clashes between the Tamils and Sinhalese in Sri Lanka. During the July disturbance in 1983, a large number of Sri Lankan Tamils fled to southern India where inhabit 50 million Indian Tamils who have close ethnic and cultural ties with the former. India accused Sri Lanka of committing atrocities against the minority 2.6 million Tamils living in the north and east of Sri Lanka.

On the Sri Lankan side, authorities charged that the Sri Lankan armed separatists have been supported and aided by the Indian authorities. It wants India to do something to stop the "terrorists" trained in southern India from crossing Palk Strait into Sri Lanka.

The 22-mile wide Palk Strait has become a trouble area since last November when Sri Lanka Tamil separatists claimed that they were to set up a "Tamil Eelam (state)" by mid-January. 17 Navy boats from Sri Lanka and India were reportedly patrolling through the shifting shoals of the narrow strait.

Sri Lanka claimed that the Tamil separatists, posing as fishermen, had crossed the strait from southern India to carry out "terrorist activities" in northern and eastern Sri Lanka. India countered that Sri Lanka Navy patrol boats had harassed Indian fishermen, firing at Indian trawlers and seizing their prawn catches. This has resulted in the biggest concentration of naval ships in the strait and the suspension of ferry services, the only sea link between Sri Lanka and India.

"Gunboat diplomacy is ruffling in the Palk Strait," one local source said, and asking "but is this the way out of the present situation?"

UK'S SHAPIRO HONORED AT BIRTHDAY RECEPTION

Hu Yaobang Speech

OW181232 Beijing XINHUA in English 1215 GMT 18 Jan 85

[Text] Beijing, January 18 (XINHUA) -- Following is the text of the speech delivered by General Secretary Hu Yaobang at a reception marking the 75th birthday of Michael Shapiro, a British expert working with XINHUA:

We are assembled at this reunion of family and friends today to celebrate the 35th anniversary of the arrival in China and the 75th birthday of Comrade Michael Shapiro, a true friend of the Chinese people and a staunch internationalist fighter. Our hearts are filled with emotion and joy at this gathering.

I am reminded at this very moment that at no time in 60 years of glorious struggle have the Chinese Communist Party and the Chinese people been without the invaluable support and help of friends from other lands. Whether it was during the period when our party was founded, during the first or second revolutionary civil war, the war against Japanese aggression, or the third revolutionary civil war, whether it was before or after the founding of the People's Republic, and whether the circumstances were favorable or unfavorable, we have always been keenly aware of the sense of devotion and heroic spirit of defying extreme hardship and difficulty of our friends from other lands who fought as members of our own ranks.

Thousands upon thousands of friends from abroad fought by our side from the time when our party was established in 1921 up to the moment when our People's Republic was founded. Many of them fought to their last breath and dedicated their lives to the Chinese people's cause of liberation. This vividly demonstrates that our friends the world over, who uphold justice and work for human progress, are closely bound up and linked with the Chinese Communist Party and the Chinese people. We will always be grateful to them and remember them forever.

Since New China was born, tens of thousands of friends from some 50 countries have come to take part in the Chinese people's cause of revolution and construction. The work they have done and the energies they have spent have been a tremendous support to the cause of the Chinese people.

With our country now in a new historical period of concentrating on the four modernizations, it is more than ever imperative for us to seek knowledge and friendship. Since we are aware that we are still backward economically and educationally, and that our lack of knowledge is in sharp conflict with our task of modernization, we should learn with an open mind from all friends who have knowledge of current science and technology. It is an important part of our party's open policy as well as a firm principle to boldly seek knowledge and recruit able people.

As an ancient Chinese saying goes: "The strength of the grass is tested in strong winds" which means "the strength of a person's will is tested only in time of crisis." I want to dedicate this saying to Comrade Shapiro who is worthy of praise. Entrusted by our friends in Britain, he travelled half-way round the world to China and dedicated the golden part of his life to the Chinese people, sharing weal and woe with them for a full 35 years. It is especially commendable that, despite the wrongs done to him during the ten-year "Cultural Revolution," he still places unswerving trust in our party. Such friendship cemented in trials and tribulations, I think, is the most lofty thing on earth which nothing else can replace.

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PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

On behalf of the Central Committee of the Communist Party of China and the Chinese Government, I would like to take this opportunity to extend to Comrade Shapiro our profound gratitude and respects. I request you all to raise your glasses and drink a toast to his health and longevity.

Deng Xiaoping Sends Greetings

OW181220 Beijing XINHUA in English 1210 GMT 18 Jan 85

[Text] Beijing, January 18 (XINHUA) -- Following is the text of the message of greeting sent by Deng Xiaoping, chairman of the Chinese Communist Party Central Advisory Commission, to Michael Shapiro, a British expert in XINHUA, on the occasion of his 75th birthday:

Dear Comrade Michael Shapiro: On the occasion of the 35th anniversary of your arrival in China and your 75th birthday, please accept my warm congratulations and respects. Thirty-five years ago, when New China had just been founded, you travelled a great distance across lands and oceans and plunged into the Chinese people's cause of revolution and construction.

You made valuable contributions by joining the Chinese people in the struggle to resist U.S. aggression and aid Korea, publicizing socialist China, working for the development and improvement of XINHUA NEWS AGENCY'S overseas services and raising the quality of the English edition of the "Selected Works of Mao Zedong".

You suffered under false charges during the ten years of catastrophe, but you have never wavered in your devoted love for and trust in the Chinese Communist Party and the Chinese people. You are truly a faithful and unyielding internationalist fighter and a long-tested sincere friend of the Chinese people. I sincerely wish you good health and a long life.

FURTHER ON NETHERLANDS MINISTER'S VISIT

Urges Closer Ties

OW171910 Beijing XINHUA in English 1445 GMT 17 Jan 85

[Text] Beijing, January 17 (XINHUA) -- Dutch Foreign Minister van den Broek today called for closer relations with China, stronger West European cooperation, an equitable and verifiable arms control program and an international order favorable to peace. In a speech to scholars, educators and journalists here, Hans van den Broek said it was an integral part of the Netherlands' foreign policy to develop and strengthen all aspects of its relations with China.

He said peace and stability in the world needed the active involvement of China. "We therefore welcome your growing participation in world affairs. In the present day, characterized as it is by ever increasing interdependence, we should all be partners of this great endeavor which is to make our world safer, more just, more prosperous," he said. He mentioned more than 50 joint projects between the two countries in science and technology.

He said he recalled the links between the two countries to show that "our relationship is not a fortuitous one. It has deep roots, it is based on mutual respect and common interests; it is therefore to endure and expand."

Since World War Two, Van de Broek said, the Dutch foreign policy had focused on the Atlantic Alliance, the European Community and the United Nations.

The Netherlands favored a lessening of tension between East and West, he said. Military security and arms control should go hand in hand. "They are not contradictory, but complementary."

He said he hoped that the resumption of arms control talks between the U.S. and the U.S.S.R. would lead to "balanced, equitable and verifiable agreements, which will ensure security at lower levels,"

Van den Broek said that many problems today could only be solved by close European cooperation and that Europe should move further ahead toward economic and political unity. "Europe must promote an open world economy, free of trade barriers. We also will have to continue to give special attention to the interests of the Third World," he added.

He said the occupation of Afghanistan must cease. "The continuing war against its people must end, so that this country can at least revert to its independent and non-aligned status." The Dutch foreign minister stressed that "our ultimate aim is to contribute to building an international legal order in which peace is preserved, freedom maintained, human rights respected and poverty eradicated."

Meets Zhao Ziyang

OW171911 Beijing XINHUA in English 1524 GMT 17 Jan 85

[Text] Beijing, January 17 (XINHUA) -- Chinese Premier Zhao Ziyang expressed satisfaction here today with the development of the Sino-Dutch relations since the two countries restored their diplomatic ties to ambassadorial level last February. Zhao said that the two countries should cherish their relations and make common efforts to ensure their smooth development.

Zhao made these remarks in a meeting here this afternoon with the visiting Dutch Foreign Minister Hans van den Broek and his party. Van den Broek told Zhao that the Dutch Government was eager to maintain the sound relations the two countries brought about in the past year. "We now have a new start. We should push forward the positive development of our sound relations," he added.

The Dutch foreign minister also told the Chinese premier that he had had constructive talks with leaders of Chinese departments concerned. They had identical or similar views on important international issues.

The Chinese premier said that he was glad about the new development of trade and economic and technical cooperation between the two countries, adding that their cooperation should be carried out on a larger scale. He said that China was prepared to open all its coastal areas with a total population of 200 million to foreign countries. He invited Dutch entrepreneurs to take part in China's economic development.

Van den Broek said that China was carrying out unprecedented reforms and that the Netherlands and other Western European countries followed with a keen interest China's development in this field, adding that they were "willing to cooperate with China so as to help China promote its development."

Premier Zhao also briefed the visitors on China's domestic economic situation.

Zhao expressed his thanks to Dutch Prime Minister Ruud Lubbers and Foreign Minister van den Broek for their efforts to improve bilateral relations. He asked Van den Broek to convey his invitation to the prime minister to visit China.

Zhou Nan, Chinese vice-foreign minister, and A.G.O. Smitsendonk, Dutch ambassador to China, were present.

Earlier today, Broek and his party visited Ding Ling, one of the Ming Tombs in Beijing's northwestern suburbs. In the evening, the foreign minister gave a return banquet. Among those present were Wu Xueqian, Chinese state councillor and foreign minister; Zhou Nan, vice-foreign minister; and Wang Pinqing, deputy to the Chinese minister of foreign economic relations and trade.

The Dutch visitors will leave tomorrow morning for Shanghai and Suzhou.

XINHUA Views Relations

OW180750 Beijing XINHUA in English 0729 GMT 18 Jan 85

["Sino-Dutch Relations on Road to Sound Development" -- XINHUA headline]

[Text] Beijing, January 18 (XINHUA) -- Dutch Foreign Minister Hans van den Broek left here for Shanghai today after a three-day visit to the Chinese capital. Although only half completed, his visit to China is already being considered a success by observers here, who see it reflecting a new development in Sino-Dutch relations over the past year.

Chinese Foreign Minister Wu Xueqian and Van den Broek agreed on Thursday night at a banquet in honor of the Dutch foreign minister that it was their common aim to further develop relations, to treat each other with sincerity and to abide by the commitments they had made. The two ministers also agreed in their Beijing talks that officials from their Foreign Ministries should meet every year to discuss bilateral relations and other issues of common concern. They also believed that the current visit had strengthened their mutual understanding and trust, and would lead to a further development of relations.

Holland was one of the first Western countries to establish diplomatic relations with the People's Republic of China. But a dispute over a Dutch company's sale of submarines to Taiwan soured relations temporarily in the early 1980s. After the Dutch Parliament voted in December, 1983, to ban any new sales of submarines to Taiwan, China and Holland resumed their diplomatic ties at ambassadorial level last February, bringing their relations back on the road to sound development.

It is understood that the two foreign ministers have reached identical views on bilateral relations and a number of international issues during their talks.

Van den Broek and many other Dutch officials have worked hard to develop Sino-Dutch relations. Their efforts have laid a solid foundation for increased trade, and economic and technical cooperation.

Early in the 1970s, China imported from Holland nine sets of urea-making equipment, 54 dredgers and some cranes. Rapid development was achieved in trade, and economic and technical cooperation after the resumption of diplomatic relations at ambassadorial level. From January to November, 1984, Sino-Dutch trade totalled 283 million U.S. dollars, an increase of six percent compared with the same period of 1983. During the same period, China's exports to Holland totalled 192 million U.S. dollars, an increase of 29.4 percent over the same period of 1983, while imports from Holland cost 91 million U.S. dollars, an increase of 12.5 percent.

China's major imports from Holland include steel, fertilizer, chemicals and machinery, while its traditional exports include native products, light industrial goods, textiles and certain chemical products.

Last November, China sent a trade mission to Holland to buy more imports, and it concluded contracts worth more than 60 million U.S. dollars, something unprecedented in the history of Sino-Dutch trade. According to incomplete statistics, China imported from Holland 11 items of technical equipment last year, worth 50 million U.S. dollars.

The two countries also signed letters of intent on conducting a feasibility study of the expansion of Nantong Port in Jiangsu Province. Last year, Holland extended loans of 9.3 million U.S. dollars to Shenzhen, one of China's special economic zones. Projects under discussion include a joint-venture hotel in Shanghai, a joint-venture factory in Xinjiang, and China's import of a color T.V. tube production line and coal slurry pipelines.

The Sino-Dutch economic and technical cooperation agreement came into effect on October 1 last year. The two countries are also working on agreements on investment protection and avoidance of double taxation, which are expected to be signed soon. These will further promote their trade and economic and technical cooperation.

Chinese officials have welcomed all these developments, and believe that the two countries should not only strengthen their governmental cooperation, but also the contacts between various localities and enterprises.

FINNISH PARLIAMENTARY DELEGATION VISITS XIAN

OW171928 Beijing XINHUA in English 1632 GMT 17 Jan 85

[Text] Xian, January 17 (XINHUA) -- Finnish Speaker Erkki Pystynen and the Finnish Parliament delegation he is leading visited today a museum displaying hundreds of life-size terracotta horses and armored warrior excavated from sites near the tomb of Qin Shi Huang. The tomb is located in Lintong County, 30 kilometers east of Xian.

After viewing the museum, Speaker Pystynen praised the Chinese people as great and wise and having a very bright future. The Finnish visitors also described the life-size terracotta horses and warriors as a great wonder of the world. They thanked China for its careful protection of these cultural relics.

The visitors arrived here from Beijing on Wednesday evening. Today, they also visited the Shaanxi provincial museum, the Dayan Pagoda and an exhibition on the province's economic achievements. In the evening, the Finnish delegation was honored at a banquet given by the Standing Committee of the Shaanxi Provincial People's Congress.

LI PENG MEETS CONGOLESE MINISTER OF ENERGY

OW161941 Beijing XINHUA in English 1453 GMT 16 Jan 85

[Text] Beijing, January 16 (XINHUA) -- Vice-Premier Li Peng said here today that China is trying to diversify means for its cooperation with African countries. The Chinese vice-premier made the statement in a meeting here this afternoon with the visiting Congolese Minister of Hydraulic Energy Elenge Ngaporo and his party.

The Congolese minister arrived here last Friday for talks with the Chinese side on their cooperation in the construction of the Imboulou hydraulic power station on the Lefini River, Congo. Ngaporo told Li that his present visit had achieved its purpose.

Li said that China had maintained good relations with developing countries in Africa since they have a common goal, i.e., to safeguard world peace and develop their own economies. In economic development, Li said, China stood for South-South cooperation and North-South dialogue. Being a developing country itself, China could provide limited aids to African countries. However, China was trying to diversity the ways of their cooperation. He expressed the hope that Sino-Congolese cooperation would help the Congo strengthen the training of its technical and managerial personnel.

Ngaporo replied that the Congo had already realized this and he believed the construction of the hydraulic power station would help train a large number of Congolese technicians.

The joint construction of the station was decided during the visit of Chinese Premier Zhao Ziyang to the Congo in January 1983. A contract on the project was signed by the two countries in May of the same year. The designed generating capacity of the station, which will be the largest in the Congo after completion, is 100,000 kilowatts.

Ngaporo and his party will leave here tomorrow for southern China. Chinese Minister of Water Resources and Electric Power Qian Zhengying will meet them in Shanghai.

YAO YILIN MEETS SENEGALESE NEWS DIRECTOR

OW172000 Beijing XINHUA in English 1641 GMT 17 Jan 85

[Text] Beijing, January 17 (XINHUA) -- Chinese Vice-Premier Yao Yilin said here today that China was willing to enter cooperation with other countries on the basis of equality and mutual benefit. He said: "We accept all cooperations so long as they are based on equality and mutual benefit. Cooperation will have its vitality only when it benefits both sides." Yao said this during his meeting with Amadou Dieng, director of AGENCE DE PRESSE SENEGALAISE, here today.

On China's policy of opening to the outside world, Yao said that this policy consisted of three aspects: opening to Third World countries; opening to capitalist countries, and opening to the Soviet Union and East European countries. He said that some well-off countries in the Third World, including Gulf countries, had already invested in China. "We have a lot to do in the South-South cooperation," he added.

Asked why China had not been seriously affected by the economic recession of the capitalist world, Yao said that China had also been affected, but to a lesser extent. He attributed this to China's economic structure. He explained that China was basically self-sufficient in food grain and met its needs for oil, with some surplus for export. In foreign trade, China exported agricultural, light industrial and textile products to capitalist countries in exchange for goods it needed. "We have not borrowed much from foreign countries, and we use the loans on construction projects rather than on buying consumer goods," he noted.

Yao also said China's economic reforms would not lead to capitalism. He said in the rural areas, where big changes had taken place over the past few years, the land was still owned by the collectives and sale of land was not allowed. China also encouraged the peasants to cooperate on a voluntary basis, he added. Amadou Dieng will leave tomorrow for a tour of Nanjing, Changzhou, Shanghai, Fuzhou and Tianjin.

BURUNDIAN PRESIDENT MEETS WITH RONG YIREN

OW171926 Beijing XINHUA in English 1531 GMT 17 Jan 85

[Text] Bujumbura, January 17 (XINHUA) -- Burundian President Jean Baptiste Bagaza met at the Presidential Palace today Rong Yiren, vice-chairman of the Standing Committee of the Chinese National Peoples Congress (NPC), who is on a visit here.

Bagaza said that Burundi has good relations with China since its independence and hoped that Rong's visit would be conducive to the further development of such relations. Rong Yiren highly praised the Burundian Government's efforts in strengthening the national unity and in national construction. He also hoped that the NPC and the Burundian National Assembly would maintain close links so as to further develop the friendly relations between the two countries.

DIPLOMAT IN NORTH YEMEN OFFERS AID TO PLO

OW162102 Beijing XINHUA in English 1620 GMT 16 Jan 85

[Text] Sanaa, January 16 (XINHUA) -- Chinese Charge d'Affaires ad Interim at the Embassy to the Yemen Arab Republic Lin Zhen presented food and blankets to the PLO here today on behalf of the Chinese Government. The supplies offered include 1,000 tons of wheat, 500 tons of rice, 100 tons of canned beef and 12,000 blankets.

KUWAITI OIL MINISTER COMMENTS ON PRC TRIP

OW162108 Beijing XINHUA in English 1617 GMT 16 Jan 85

[Text] Kuwait, January 15 (XINHUA) -- Kuwait and China had laid a foundation for cooperation in the petroleum sector and explored the possibility of setting up joint ventures in developing energy resources, Kuwaiti Minister of Oil and Finance Shaykh 'Ali al-Khalifah al-Sabah said here Monday. Al-Sabah, returning from his visits to China, Japan and South Korea, said Kuwait also hoped to invest in other development sectors in China. During his stay in China, Al-Sabah, who is also board chairman of the Kuwait Fund for Arab Economic Development, signed an agreement to finance a Chinese hydropower project. He described cooperation between the two countries as "very wide," adding that there was an opportunity to strengthen it further.

UGANDAN PRIME MINISTER IMPRESSED BY CHANGES

OW161951 Beijing XINHUA in English 1446 GMT 16 Jan 85

[Text] Kampala, January 16 (XINHUA) -- Ugandan Prime Minister Otema Alimadi said that China has in the past few years made great strides both domestically and internationally, and a strong China would benefit the world.

Speaking yesterday at a meeting with Li Shi, the Chinese ambassador to Uganda, the prime minister said he was deeply impressed with the changes taking place in China. Alimadi, who visited China last year, said the country has adopted an open and flexible policy to diversify its economy and has been carrying out reforms to keep its economy healthy. He also expressed satisfaction with the relations between China and Uganda. He said he was glad the Ugandan people have a good friend in China.

FLIGHT GRADE SYSTEM FOR AIR FORCE, NAVY APPROVED

OW172145 Beijing Domestic Service in Mandarin 1200 GMT 17 Jan 85

[Text] The Central Military Commission recently approved the establishment of the flight grade system [fei xing deng ji zhi du] for the Air Force and the Navy's air units and the restoration of flight pay at the same time, effective 1 January this year.

FURTHER REPORTAGE ON ZUNYI MEETING COMMEMORATION

Deng Xiaoping Writes Book Title

OW170523 Beijing XINHUA Domestic Service in Chinese 1244 GMT 15 Jan 85

[Text] Beijing, 15 Jan (XINHUA) -- The book "Documents of the Zunyi Meeting," compiled by the Commission for Collecting Party Historical Data of the CPC Central Committee and the Central Archives to commemorate the 50th anniversary of the Zunyi meeting, has been published by the People's Publishing House and put on sale throughout the country in January this year. This is the first book containing the party's historical documents concerning the Zunyi meeting published in our country. Comrade Deng Xiaoping inscribed the title for the book.

"Documents of the Zunyi Meeting" is in two volumes. The first contains the "Resolution of the CPC Central Committee on the Zunyi Meeting," telegrams sent by the CPC Central Committee reporting on the proceedings of the meeting, an outline of central responsible persons' instructions relevant to the meeting, and the official assessment by the CPC Central Committee on the significance of the meeting. The second volume contains expositions and recollections of Mao Zedong, Zhou Enlai, and Zhu De on the meeting.

Deng Inscribes Plaque

OW162348 Beijing XINHUA Domestic Service in Chinese 1626 GMT 15 Jan 85

[By reporter Zhang Chuangen]

[Excerpts] Zunyi, 15 Jan (XINHUA) -- After over a year of renovations and active preparations, the supplementary exhibition room marking the "Site of the Red Army General Political Department" and the Zunyi meeting was officially opened to visitors today.

Comrade Deng Xiaoping inscribed the plaque "Site of the Red Army General Political Department" for the newly opened exhibition room.

At 1500, Zunyi City held a ribbon-cutting ceremony to open the exhibition room. Tong Xiaoping, vice chairman of the Commission for Collecting Party Historical Data under the CPC Central Committee; Miao Chunting, chairman of the Guizhou Provincial CPPCC Committee; and Wang Zheng, commander of the Guizhou Provincial Military District, cut the ribbon for the exhibition room. Afterward, some local veteran Red Armymen and veteran cadres visited the exhibition room. Located on Yangliu Street in Zunyi City, the exhibition room is located on the site of the leading organ of the General Political Department after the Central Red Army arrived in Zunyi in January 1935. The party Central Committee held a cadre conference here to transmit the guidelines of the Zunyi meeting. Comrades Mao Zedong, Zhou Enlai, and Zhang Wentian delivered speeches here, and the Red Army General Political Department also held a mass meeting for various circles of Zunyi City.

Deng Inscribes Monument

OW162350 Beijing XINHUA Domestic Service in Chinese 1652 GMT 15 Jan 85

[By reporter Zhang Chuangen]

[Excerpt] Zunyi, 15 Jan (XINHUA) -- To commemorate the revolutionary martyrs who heroically sacrificed their lives during the Red Army Long March in Guizhou and to mark the 50th anniversary of the convocation of the Zunyi meeting, a 30-meter high monument dedicated to the Red Army martyrs was inaugurated today at the Red Army Martyrs Cemetery in Zunyi City.

Deng Xiaoping, Standing Committee member of the Political Bureau of the CPC Central Committee and chairman of the Central Military Commission, inscribed the works "Everlasting Red Army Martyrs" for the monument in his own hand writing.

At 1000, more than 500 representatives of various circles in Zunyi City attended the unveiling ceremony. Wu Xiuquan, Standing Committee member of the CPC Central Committee Advisory Commission; Xie Zhenhua, political commissar of the Kunming Military Region; Ci Biqing, first secretary of the Guizhou Provincial CPC Committee; and Xu Jiansheng, chairman of the Guizhou Provincial Advisory Commission, unveiled the monument. Responsible persons of the concerned party, government, and military units in Guizhou Province, Zunyi Prefecture, and Zunyi City, and some local Red Armymen and veteran cadres attended the unveiling ceremony. The concerned departments sent wreaths to the monument.

Wu Xiuquan on Zunyi Spirit

HK171504 Beijing JINGJI RIBAO in Chinese 12 Jan 85 p 2

[Article by Wu Xiuquan: "Further Enhance the Spirit of the Zunyi Meeting"]

[Text] As the old saying goes: A mountain may not be high, but it will become famous if there are fairies in it; a pool may not be deep, but it will become sacred if there is a dragon in it. Zunyi City is not big. Nevertheless, since our party Central Committee convened the enlarged meeting of its Political Bureau here 50 years ago, this ancient city on a plateau in the southwest has shown in radiant splendor, ranking with the other sacred revolutionary places in China such as Jinggang Shan, Ruijin, and Yanan. When the Red Army reached Zunyi on the Long March, I worked on as interpreter for Li De, the Communist International military adviser, at the Military Commission Headquarters. As required by work, I had the honor of attending as an observer the famous Zunyi meeting, an enlarged meeting of the Political Bureau which is called a brilliant milestone and a great turning point.

It should be said that in the beginning, people did not clearly realize the historical role and great importance of this meeting. Many similar meetings were convened during the Long March. However, the far-reaching influence exerted by the Zunyi meeting was matchless when compared with the influence exerted by the Zunyi meeting was matchless when compared with the influence of other meetings at that time because the meeting brought about a radical change in the historical destiny of our Army and even the revolution of our country. All old comrades who took part in the Long March remember that before the Zunyi meeting, because of the erroneous "left" deviationist leadership, the Central Committee and the Red Army were compelled to abandon the Jiangxi revolutionary base areas and to retreat while fighting to the border areas between Hunan and Guizhou. About two-thirds of the Armed Forces were lost.

Moreover, the enemy stepped up its encirclement, pursuit, blockade, and interception so that our party and the Red Army were faced with the danger of being destroyed. At this critical moment, Comrade Mao Zedong, in accordance with the desire and will of the whole party and the whole Army and with the support of Comrades Wang Jiaxiang, Zhang Wentian, Zhou Enlai and Zhu De, resolutely decided to change the direction of the Long March, cancelled the plan for the 2d and 6th Army Corps to join forces, and advanced toward Guizhou, where the enemy's military strength was weaker, forced across Wu Jiang, and captured Zunyi so that the Red Army, which had suffered heavy losses and was in a state of utter exhaustion, could have a chance to catch its breath. Then the Central Committee took advantage of this opportunity to convene the enlarged meeting of the Political Bureau in Zunyi. First of all, the meeting concentrated on criticizing the "left" deviationist mistakes in military affairs and examined the lessons of failures in opposing the fifth "encirclement and suppression." The meeting also readjusted the leading organs of the Central Committee and deprived Bo Gu and Li De of their commanding power in military affairs. Comrade Mao Zedong then shouldered the important responsibility of leadership. This caused the party to pull through and turn the tide, so that under the correct leadership of Comrade Mao Zedong and other comrades, the party and the Red Army overcame one difficulty after another and eventually won the great victory of the Chinese revolution.

The year 1985 is the 50th anniversary of the convening of the Zunyi Meeting. As a participant of this meeting, all sorts of feelings and thoughts have welled up in my mind. At this time half a century ago, chief leading comrades of the party and the Red Army gathered in an ordinary room on the second floor of a small house in the ancient city of Zunyi. There they held a meeting for several days and nights. Sometimes the comrades presented their views vehemently and sometimes they argued strongly on just grounds. The reasonable long speeches on just grounds by Comrade Mao Zedong in particular, the full support to Comrade Mao Zedong by Comrades Wang Jiaxiang, Zhang Wentian, Zhu De, and Liu Bochong, the modest and sincere attitude of Comrade Zhou Enlai, and the solemn and just exposure by Comrade Peng Dehuai, Nie Rongzhen and Li Fuchun of the "left" deviationist mistakes, all made a deep impression on me. Li De, one of the main targets of criticism, was in an extremely awkward position but refused to admit his mistakes. His appearance remains fresh in my memory. There was another person, and this was Lin Biao, who was once lauded as being "consistently a close follower of Chairman Mao." Since he had followed Li De closely and flattered him, he was greatly embarrassed and assumed an ambiguous attitude at the meeting. He did not "firmly stand on the side of Chairman Mao" as his henchmen boasted him to have done. On the other hand, Comrade Bo Gu, one of the representatives of the "left" deviationist mistakes, assumed the correct attitude of a communist and personally presided over the Zunyi meeting which criticized him. He listened to the views of the participants, submitted himself to the collective decision, and gradually realized and corrected his mistakes in what he did afterwards. His open and aboveboard attitude was indeed admirable.

Today, while we are commemorating the Zunyi meeting, I think that we should first of all bear in mind the historical lessons of the party and study and carry forward the traditional spirit of the Zunyi meeting, of which the most important principle to be firmly kept in mind is: The universal truth of Marxism must be integrated with the practice of the Chinese revolution. This is an experience and lesson won with blood. With the exception of a few persons such as Wang Ming, other comrades including Bo Gu were loyal Communists before and after the Zunyi meeting. However, they for some time simply mechanically carried out what some books said or carried out instructions given outside China. They paid no attention to integrating them with reality and this caused tremendous losses to the revolutionary cause. Many comrades died for no purpose. Thanks to Comrade Mao Zedong and other comrades who persisted in proceeding from reality and did not have blind faith in dogmas, the war situation took a turn for the better and we gradually triumphed.

Therefore the achievements of the Zunyi meeting also marked the victory of Marxism-Leninism and the failure of dogmatism. Secondly, the feature and main content of the Zunyi meeting was to oppose the "left" deviationist mistakes, and its historical contribution lies in criticizing and correcting the "left" deviationist mistakes, which did the greatest harm to the party at that time. However, the pernicious "leftist" influence was not completely eliminated then. On the contrary, it would appear in a new form under certain historical conditions. The 10 years of turmoil was vicious development of such influence. The 3d Plenary Session of the 11th CPC Central Committee, which is praised as another Zunyi meeting of our party, further opposed and eliminated the "left" deviationist pernicious influence in a new historical period and made a series of important strategic decisions. Therefore, in commemorating the Zunyi meeting, we must implement the correct policy of the third plenary session, inherit and carry forward the glorious tradition of the Zunyi meeting, oppose any "left" or rightist mistakes which are divorced from reality, in particular the leftist pernicious influence which once more caused great harm to the party, and be vigilant and strive to root it out to ensure that the revolution and construction of our country will always advance along the correct path of Marxism!

Historical Documents Published

HK171442 Beijing RENMIN RIBAO in Chinese 14 Jan 85 p 5

[Article by Chen Hanxiao: "'Documents of the Zunyi Meeting' Published"]

[Text] In January 1985 it will have been just half a century since the CPC held an enlarged meeting of the Political Bureau in Zunyi, Guizhou Province, during the Long March in January 1935.

The Zunyi meeting was a great turning point in the party's revolutionary history. It is of great historic significance. In memory of the meeting and to enable the whole party and people to understand the contents of the meeting and its great significance, the People's Publishing House has published the "Documents of the Zunyi Meeting" (hereafter called the "documents") compiled by the Commission for Collecting Party Historical Data of the CPC Central Committee and by the Central Archives Bureau. The "documents" consist of some 60,000 characters and is divided into two volumes. The first volume contains the resolution of the meeting, the CPC Central Committee's telegrams concerning the meeting, Chen Yun's "relayed outline" of the meeting, and the appraisals of the meeting made by the plenary sessions of the CPC Central Committee in April 1945 and June 1981.

Explanations, talks, memoirs, and "notes" concerning the meeting by Mao Zedong, Zhou Enlai, Zhu De, Chen Yun, Zhang Wentian, Liu Bochong, Nie Rongzhen, Qin Bangxian, and Wu Xiuquan have been included in the second volume. Most of the contents are revealed to the public for the first time. Attached to the documents is the "Investigation Report on Several Problems Concerning the Political Bureau Enlarged Meeting in Zunyi" (hereafter called the "investigation report").

Deng Xiaoping wrote the title of the documents. Chen Yun, Nie Rongzhen, Yang Shangkun, and Wu Xiuquan wrote inscriptions for the documents.

In the past, since the documents of the meeting and the talks and memoirs on the meeting by the central leading comrades had not been published, opinions varied on the date of convening of the meeting, on the number and position of participants, on the replacement of Bo Gu (Qin Bangxian) by Luo Fu (Zhang Wentian), and on the date of the setting up of the military group composed of Mao Zedong, Zhou Enlai, and Wang Jiaxiang, and no conclusions could be reached.

The "investigation report" gives an all-round explanation of the meeting and other related problems, and has provided us with valuable data concerning the meeting. There were about 10 kinds of opinions concerning the date of the convening of the meeting. The resolution of the meeting shows that it was "approved by the Political Bureau meeting on 8 January 1935." An examination revealed that this was not the date of the meeting. The reasons are as follows: The telegram from the Military Commission at 2110 on 7 January 1935 said: The 2d Division of our Army occupied Zunyi at 0200 today." The telegram from Zhu De, chairman of the Military Commission, on 8 January said: "The troops of the Military Commission will enter Zunyi tomorrow." The telegram from the Military Commission at 0540 on 10 January said, "The troops of the Military Commission were garrisoned in Zunyi yesterday." The above telegrams show that our Army occupied Zunyi on 7 January and that the troops of the Military Commission and Mao Zedong entered Zunyi on 9 January. Therefore, it was impossible to hold the meeting before this. The telegram from the CPC Central Committee under the name of "Enlai" to Liu Shaoqi and Li Zhuoran at 2400 on 13 January read: "The Political Bureau meeting will be held on 15 January. You are required to come to Zunyi tomorrow (14 January)." Chen Yun's "relayed outline" said. "The meeting adopted a resolution after a 3-day session." Wu Yunfu's "Long March Diary" read: "10 February cloudy. We camped in Zhaxi (namely Weixin County). At 0900, a meeting of cadres at the battalion and sectional levels and above was held. Luo Fu reported on the five 'encirclement' campaigns and the present tasks (this was the Political Bureau enlarged meeting of the CPC Central Committee on 17 January)." From this we know that the Political Bureau enlarged meeting was convened on 15 January and concluded on 17 January after a 3-day session.

The "investigation report" indicates that the number of participants are as follows:

Member of the Political Bureau: (listed according to the number of strokes in their surnames) Mao Zedong, Zhu De, Chen Yun, Zhou Enlai, Zhang Wentian, and Qin Bangxian. Alternate members of the Political Bureau: (listed according to the number of strokes in their surnames) Wang Jiaxiang, Deng Fa, Liu Shaoqi, and He Kequan (Kai Feng). General Secretary of the CPC Central Committee: Deng Xiaoping. Responsible persons of the Red Army Headquarters and regiments: Liu Bochong, Li Fuchun, Lin Biao, Nie Rongzhen, Peng Dehuai, Yang Shangkun, and Li Zhuoran. Military adviser sent by Communist International: Li De. Interpreter: Wu Xiuquan. Luo Binghui, commander of the 9th Regiment; and Cai Shufan, its political commissar, did not attend the meeting due to engagement in military tasks. Also absent was Tong Zhentang, commander of the 5th Regiment.

The "investigation report" maintains that the replacement of Bo Gu by Luo Fu took place after and not during the meeting. The replacement of Bo Gu by Luo Fu was decided while the Red Army was "on the way from Zunyi to Weixin" in a small village bordering on Yunnan, Guizhou, and Sichuan, where "a cockcrow can be heard by the three provinces." This was around 5 February 1935. At that time, instead of the term "general secretary," "general responsible person" or "person responsible for the general tasks" was used.

As for the military group composed of Mao Zedong, Zhou Enlai, and Wang Jiaxiang, the investigation report" indicates that it was set up when the Red Army reached Yaxi and Gouba during its withdrawal from Zunyi for the second time. This was around 11 March.

Wu Xiuquan, Other Veterans Attend

HK171518 Guizhou Guiyang Provincial Service in Mandarin 2300 GMT 16 Jan 85

[Excerpts] Yesterday, the historic City of Zunyi was full of joy, with colorful flags fluttering in gentle sunshine.

At 0800, Wu Xiuquan, Tong Xiaopeng, and other veteran Red Army soldiers and veteran cadres who have been invited to take part in the activities to mark the Zunyi meeting, accompanied by responsible comrades of the provincial and Zunyi prefectural, city and county CPC Committees, once again visited Loushan Pass, where Red Army soldiers fought a fierce battle many years ago on the Long March.

While in the rest quarters at Loushan Pass, Wu Xiuquan, veteran Red Army soldier and Standing Committee member of the Central Advisory Committee of the CPC Central Committee, listened to a briefing given by comrades of the Loushan Pass Memorial Hall and repeatedly inquired about the whereabouts of some Red Army soldiers who took part in the fighting years ago. He especially told Comrade Chi Biqing, first secretary of the provincial CPC Committee: Comrade (Zhong Weijian), chief of the general staff of a regiment of the 3d Red Army Corps, sacrificed his life in the second attack on Zunyi. A tombstone should be raised beside the tomb of Comrade (Deng Ping), chief of General Staff of the 3d Red Army Corps, for commemoration. We must never forget him.

Tong Xiaopeng, vice chairman of the Commission for Collecting Party Historical Data under the CPC Central Committee and Standing Committee member of the CPPCC, took part in the Long March and kept a valuable diary when crossing the Loushan Pass years ago. When this 71-year-old Red Army soldier again climbed Loushan Pass today, he was very excited and happy. He reached the summit of (Xiaoxuan) Hill on foot. Standing on the ruins of a trench dug by Red Army soldiers years ago, he took out a camera and took many superb shots of the magnificent view around Loushan Pass. He also delightedly recited: Climbing Loushan Pass at the age of 70, I dare to climb any perilous peak. True, with the glorious tradition of the Red Army in the Long March and under the correct leadership of the CPC Central Committee, the Chinese people will certainly overcome any difficulties on their new road of march and will win new victories in building the four modernizations.

REPORTS, DISCUSSIONS AT NPC STANDING COMMITTEE

Peng Chong, Others on Education

OW180236 Beijing XINHUA Domestic Service in Chinese 1419 GMT 16 Jan 85

[Excerpts] Beijing, 16 Jan (XINHUA) -- After examining Premier Zhao Ziyang's motion to designate a "Teachers Day" and Minister He Dongchang's education report, members attending the ninth session of the Sixth NPC Standing Committee unanimously endorsed the proposal to designate 10 September "Teachers Day" so teachers' political and social status can be celebrated and people will develop the habit of respecting teachers, education, knowledge, and educated people. The members also put forward many proposals on how to reform and promote educational work. Peng Chong, vice chairman of the NPC Standing Committee, said: Minister He Dongchang's education report is good. It mentioned the defects as well as the achievements of our educational work. Unfortunately, while the report points out the major problems, such as those concerning the administration, structure, teaching and training of teachers, in our educational work, it failed to put forward any effective measure as to how we can deal with those problems in order of their importance and urgency and in accordance with the circumstances of our country. If we do have no effective measures, educational reform and development will be to no avail.

Aisin Ghiorroh Pujie said: Education is essential for economic construction. To promote education, we must pay special attention to secondary and primary education; to improve our secondary and primary education, we must pay special attention to training qualified teachers. Although the state has continued to budget more for educational development over the past several years, the government will be hardpressed to shoulder the burden of undertaking all neglected tasks.

While we must depend on state support to develop education, we must also rely on our own efforts and develop education in a way appropriate to local conditions. We should keep the future in mind, and promote our education as quickly as possible with concerted efforts from all quarters.

Li Giuying said: It is highly important to improve our secondary and primary education. Secondary and primary education in mountainous areas and areas inhabited by national minorities are extremely underdeveloped. This is mainly because of the serious shortage of qualified teachers there. We cannot merely depend on schools in big cities to train secondary and primary school teachers, because the graduates from those schools are unwilling to work in mountainous and minority areas. We should set up more regional teacher-training schools, or classes, to train teachers for local schools.

Hu Jiwei said: It seems that our educational budgets have been increasing each year and the development of our education is not slow, judging from what we can see from the report. However, we should not take the figures for granted, because figures are insubstantial. We must specifically analyze how these funds have been actually spent. The fact is that the bulk of the funds has not been spent on improving teaching conditions or improving teaching quality. Today many teachers are unwilling to teach and have switched jobs to work in other departments. The situation is serious. There are two reasons for this. First, teachers' pay is low, and their other actual problems, such as housing, separation from their families, and so forth, have not been resolved. Therefore, they want to resign. Second, since our cadres were required to be better educated, various administrative departments have been recruiting teachers, especially the good ones, to be their staffs. Departments concerned should investigate and study this issue and solve it earnestly.

Further on Enterprise Law

OW171555 Beijing XINHUA Domestic Service in Chinese 1452 GMT 16 Jan 85

[Excerpts] Beijing, 16 Jan (XINHUA) -- In panel examinations and discussions of the PRC draft law on state-owned industrial enterprises at the ninth session of the Sixth NPC Standing Committee, many deputies held that enactment of this law is a major step in the reform of the economic structure and an effective guarantee for increasing the vitality of the enterprises and raising the economic results of their operations.

Deputies Hong Sisi, Deng Jiatai, Hou Xueyu, and Huang Rongchang said: The fundamental spirit of the law of state-owned industrial enterprises is correct and conducive to the boosting of vitality of the enterprises. This can be proved by the experience gained in many experimental units. All plants that have implemented the system of plant directors assuming full responsibility for experimental purposes have produced good economic results. It is extremely necessary to integrate the system of plant directors assuming full responsibility with the democratic management of the enterprises. The draft law has solved this question very well. In the meantime, the work of the party committees of the enterprises is still very important. They should supervise the work of the plants to ensure that the party's principles and policies are implemented.

Deputy Sun Jinwen said: This draft law has established the system of plant directors assuming full responsibility. This matter, itself, is a kind of reform.

Deputy Su Buqing said: The draft law on state-owned industrial enterprises is very good. In the past, the secretary of the party committee was the No 1 leader, and the plant director was the No 2.

According to the provisions of the draft law on state-owned industrial enterprises, each of them should have his own duties, and they should cooperate to run the plant successfully. The principle of this thinking is very good. To run the plant successfully, the plant director must rely on the party organizations, the masses, and the system of division of labor and responsibilities. For example, it is necessary to rely on the party committee to conduct ideological and political work among the staff and workers and to rely on the trade union and the congress of staff and workers and make good welfare arrangements. If the system of plant directors assuming full responsibility becomes a system of plant directors assuming full responsibility becomes a system of plant directors exercising all powers, the plant directors cannot function well. Deputy Su Buqing held that this draft law is not clear about the responsibilities of party organizations of industrial enterprises and should be revised or supplemented in this regard.

Deputy Qiu Weifen said: In the drive for the four modernizations, we should attach importance to the work of scientific and technological associations and give full scope to the role of scientists and technicians. In revising the law on state-owned industrial enterprises, we should include the provision that chief engineers among the scientific and technical personnel and chief accountants should participate in making policy decisions for the enterprises. In addition, the plant's management committee should include their representatives.

Deputy Zhang Ruiying said: Plant directors of state-owned industrial enterprises should be responsible to the state as well as to the staff members and workers. The draft law only states that plant directors are entrusted by the state. This is not complete. The following words should be added at the end of this sentence: and rely on the masses of staff and workers. In addition to this, reform of our economic structure is presently being carried out. Practice shows that with regard to the appointment or election of plant directors, we should not use the same method in all cases. We should allow the use of different methods for different plants in different localities

Open Ports; Leaders' Trip

OW180205 Beijing XINHUA Domestic Service in Chinese 0900 GMT 17 Jan 85

[Text] Beijing, 17 Jan (XINHUA) -- A plenary session of the ninth meeting of the Sixth NPC Standing Committee was held in the Great Hall of the People this morning to hear several reports and explanations.

State Councillor Gu Mu delivered a report on building special economic zones and further opening up 14 coastal cities. He said that opening to the outside world is a long-term policy of the state. In our country the development trend of opening to the outside world is expanding gradually from south to north, from east to west, and from coastal areas to the interior.

Chairman Peng Zhen attended this morning's session, which was presided over by Vice Chairman Chen Pixian.

State Councillor and Foreign Minister Wu Xueqian delivered a written report on President Li Xiannian's visit to Spain, Portugal, and Malta. In his report, Wu Xueqian said that President Li Xiannian visited the three countries in southern Europe from 10 to 22 November 1984. It was our president's first visit to these countries and marked our country's important diplomatic action in this region. His visit was regarded as very important by the three countries as well as by other countries. His visit has enhanced China's influence in these countries and promoted understanding and friendship between the people of China and Spain. It was a complete success.

In his report Gu Mu introduced the progress made by China in opening to the outside world, building special economic zones, and further opening up 14 coastal port cities, and made some suggestions for doing this work in the future.

He said: Presently we should seize the opportunity to vigorously promote economic and technological cooperation and exchanges with foreign countries. We should make serious efforts to bring in foreign capital, technology, information, and professionals, and expand foreign trade so as to accelerate the growth of our economy.

Gu Mu said: The work of building special economic zones and of further opening up 14 of China's coastal cities to the outside world is still in the initial and experimental stage. Therefore, from now on we must do well the following five aspects of the work: 1) Foreign funds and imported technology should be used primarily for upgrading existing enterprises. 2) Speed up infrastructure construction. 3) Improve economic legislation involving foreign enterprises. 4) Strengthen training of professionals. 5) While implementing the policy of opening to the outside world, we must make efforts to build socialist spiritual civilization, continue to crack down on economic criminal offenses such as smuggling and selling smuggled goods, resolutely oppose all acts that run counter to state policies and infringe on state interests by engaging in speculation. Oppose the abuse of power to seek personal gain, and check all unhealthy tendencies appearing in the new situation.

Vice Chairman Ye Fei delivered a written report on the visit to Burma and Thailand by an NPC delegation. In his report, he said: An NPC delegation led by Vice Chairman Ye Fei paid a friendly visit to Burma and Thailand from 5 to 17 December 1984. It was solemnly and warmly welcomed and cordially received by the two countries. It briefed them on China's political stability and unity, its economic situation, and its ongoing economic reforms, and on China's independent foreign policy of safeguarding world peace and the policy on China's readiness to maintain good-neighborly and friendly relations with Burma and Thailand for all generations to come and to develop economic and trade cooperation with the two countries. The visit has enabled the people of Burma and Thailand to understand China better, deepened their friendship for China, and strengthened the ties between the NPC and the parliaments of these two countries. The visit was a success.

Vice Chairman Huang Hua delivered a written report on the visit to Tanzania and Zambia by an NPC delegation. In his report Huang Hua said: An NPC delegation led by Vice Chairman Huang Hua visited Tanzania and Zambia from 8 to 20 December 1984. It was the first time the NPC sent a delegation to visit these African countries. During the visit, the delegation introduced China's Constitution and NPC system and its current political and economic situation. It expounded China's independent and peaceful foreign policy. It exchanged views with the leaders of the two countries on bilateral relations, South-South cooperation, the establishment of a new international economic order, and issues in southern Africa. The visit has enhanced the understanding and friendship between China and Tanzania and Zambia and has been conducive to promoting bilateral relations and friendly cooperation. The delegation fulfilled fairly well its task of visiting the two countries and achieved positive results in this regard.

At the session, Yan Mingfu, deputy secretary general of the NPC Standing Committee, made an explanation on the establishment of the NPC groups for promoting bilateral friendship with foreign countries. He said: Right now, there is a trend that the parliaments in various countries have the desire to strengthen friendly contacts with our country. To further expand ties between the Chinese NPC and the parliaments of other countries, we intend to set up appropriate friendship organizations under our NPC. Because there are a great number of NPC deputies, we suggest that bilateral friendship groups dealing with similar organizations in other countries be set up for each nation, and that friendship groups for those countries where such friendship organizations with China have already been established be set up first in order to draw more NPC deputies to carry out work with foreign countries.

It is for this reason that we plan to set up 10 bilateral friendship groups first for Zaire, Senegal, Sudan, Greece, Italy, France, Britain, Japan, Turkey, and the European Parliament; and gradually increase this number according to the situation. We intend to call this bilateral group for friendship with foreign countries the Chinese NPC Group for Friendship With XXX [name of the foreign country]. There will be one chairman, one or two vice chairmen, and about five members for each group.

Attending the session were NPC Standing Committee Vice Chairmen Geng Biao, Xu Deheng, Peng Chong, Wang Renzhong, Zhu Xuefang, Ngapoi Ngawang Jigme, Bainqen Erdini Qoigy Gyaincain, Zhou Gucheng, Yan Jici, Hu Yuzhi, and Liao Hansheng. Present at the session as observers were Zheng Tianxiang, president of the Supreme People's Court; and Yang Yichen, procurator general of the Supreme People's Procuratorate. The session will begin its group discussions this afternoon.

Gu Mu on Foreign Trade Progress

OW121234 Beijing XINHUA in English 1224 GMT 17 Jan 85

[Text] Beijing, January 17 (XINHUA) -- State Councilor Gu Mu told the National People's Congress (NPC) here today of great progress in direct foreign investment and trade.

The 14 cities open to such business are rapidly expanding their use of foreign capital and imported technology, he told the NPC Standing Committee's ninth meeting. Gu attributed this to flexible economic policies there since last April.

The cities, which include Shanghai, Tianjin, Guangzhou and Dalian, with under eight percent of China's population, account for 23 percent of industrial output and 40 percent of exports and have 66 percent higher productivity than the country's average. The number of contracts using foreign funds signed by these cities with foreign firms in 1984 and the amount involved equalled those of the previous five years, he said.

High technology projects had also increased, said Gu, as had economic and technical collaboration with other parts of the country.

He cited over 180 industrial projects in Inner Mongolia and the Northeast carried out last year in cooperation with Dalian and over 100 economic and technical agreements between places on the Longhai Railroad and Lianyungang, its sea terminal. These, he said, improved the cities' own foreign trade vitality and capability while boosting technology and the economy elsewhere.

The next step in opening up the 14 cities, said Gu, would be greater decision-making power for them and preferential treatment for foreign investors. He said the State Council had ratified a decision to levy income tax at 80 percent of the current rate in these cities on Chinese-foreign joint ventures and co-managed concerns and enterprises financed by foreign firms and to reduce income tax by 15 percent on such business in economic and technological development zones.

The realistic and popular policy to open up the 14 cities was, Gu concluded, sure to produce greater progress given solid work.

FANG YI ATTENDS SCIENCE CENTER INAUGURATION

OW171915 Beijing XINHUA in English 1627 GMT 17 Jan 85

[Text] Beijing, January 17 (XINHUA) -- More than 600 Chinese scientists gathered here today to celebrate the inauguration of the China International Conference Center for Science and Technology. State Councillor Fang Yi extended his greetings at the meeting.

The new center will organize, at the request of both domestic and foreign organizations, various kinds of academic symposiums, working conferences, training courses, visits for scientific exchange, professional tours and scientific exhibitions.

President of the center Zhou Peiyuan, who is also the president of the China Association for Science and Technology, said that international science conferences play an important role in promoting science and technology. At present, China is capable of sponsoring conferences for 500 participants. By 1990, China will conferences of two to three thousand participants will be possible, he added.

Physicist Zhou Guangzhao, vice-president of the Chinese Academy of Sciences, also spoke at the meeting. He said that the center would be a major channel for scientific exchange between Chinese and their foreign counterparts and would provide Chinese scientists with greater access to international symposiums.

NIE RONGZHEN INTERVIEW ON FILM, HUMANITARIANISM

HK171020 [Editorial Report] Beijing Domestic Television Service in Mandarin at 1158 GMT on 15 January during its regular "Cultural Life" program recommends the new feature film, "The General and the Orphan Girls," and shows "Marshal" Nie Rongzhen praising the feature film for "reflecting our Army's humanitarianism [rendao zhuyi 0086 6670 0031 5030]," in his undated interview with a female television reporter.

The program first shows parts of the new feature film, which depicts "General Nie Rongzhen, commander of the Shanxi-Hebei-Chahaer Military Region under the 8th Route Army," caring for two Japanese orphan girls in China in 1940, sending them to a Japanese military camp in China for repatriation, and meeting with one of the orphan girls in 1980. It then shows an unnamed female reporter interviewing the director and screenwriter of the feature film at the 1 August Film Studio (date of interview not given). The feature film was produced by this studio.

The same female reporter then is shown interviewing "Marshal" Nie in the study of his residence. Nie, who is sitting on a sofa in his study, states: "This film mainly reflects our Army's humanitarianism. I sent the two girls back. Moreover, our troops rescued the two girls from a raging fire when they were in action, thus displaying humanitarianism more prominently." In answering the reporter's question about his contact with one of the two orphan girls, Nie states: "We extend New Year's greetings to each other every year. She said in her letter that she reconstructed her house in order to hang the painting on the wall. You know, Japanese houses have very low walls, and the painting I gave her is a very large one. Therefore, she reconstructed her house." Nie then tells the reporter of his inscription on the painting. The inscription reads as follows: "Sino-Japanese friendship lasts forever." The interview then ends with a shot of Nie facing the camera and saying: Thank you all."

YU QIULI PAYS LAST RESPECTS TO FU ZIHE

OW171145 Beijing XINHUA Domestic Service in Chinese 1148 GMT 17 Jan 85

[Excerpts] Beijing, 16 Jan (XINHUA) -- Fu Zihe, former vice minister in charge of State Planning Commission and member of the commission's party group, failing to respond to any medical treatment of his illness, died in Beijing on 31 December 1984 at the age of 69.

A ceremony to pay last respects to the remains of Comrade Fu Zihe was held in Beijing Hospital on 11 January. Attending the ceremony were Yu Qiuli, Yao Yiling, Liu Lantao, Wang Renzhong, Song Ping, and other responsible comrades of the departments concerned and relatives and friends of Comrade Fu Zihe, more than 300 persons in all.

Wreaths were sent by Yu Qiuli, Yao Yilin, Liu Lantao, Cheng Zihua, Kang Shien, Song Ping, Lu Dong, Yang Bo, and Yu Mingtao as well as the State Planning Commission, the State Economic Commission, the Shaanxi Provincial CPC Committee and People's Government, and the Qinghai Provincial CPC Committee and People's Government. Comrade Fu Zihe was from Yongji County, Shanxi Province.

OBITUARY ON CPPCC NATIONAL COMMITTEE MEMBER

OWL70631 Beijing XINHUA Domestic Service in Chinese 1237 GMT 15 Jan 85

[Excerpt] Shenyang, 15 Jan (XINHUA) -- Li Shaoyuan, member of the CPPCC National Committee and former deputy political commissar of the Shenyang Military Region, died of illness in Shenyang on 28 December 1984 at the age of 69.

According to Comrade Li Shaoyuan's will, and at his children's suggestion, the leading organ of the Shenyang Military Region gave him a simple funeral. His cinerary casket was placed in the Huilonggang Cemetery of Revolutionaries in Shenyang. When Comrade Li Shaoyuan was seriously ill, Commander of the Shenyang Military Region Li Desheng and Political Commissar Liu Zhenhua visited him several times in the hospital.

After Comrade Li Shaoyuan passed away, the Chinese People's Political Consultative Conference sent a message of condolence.

Comrades Liao Hansheng, Han Xianchu, and Zhang Aiping respectively sent messages of condolence and wreaths.

STATE COUNCIL ISSUES RULES ON TECHNOLOGY TRANSFER

LD171753 Beijing XINHUA in English 1313 GMT 17 Jan 85

[Text] Beijing, January 17 (XINHUA) -- Any unit or individual in China is now free to transfer technology as a commodity, according to a latest State Council document.

The provisional regulations concerning technological transfer stipulate that all technology aimed at developing new products, reducing production costs and improving product quality and management can be transferred through consultations, on a voluntary and mutual benefit basis. However, technology violating state laws or policies shall not be transferred. Transfer of technology involving national security or major economic interests is subject to other state regulations.

The price for technology to be transferred is set through consultation and contracts must be signed, the regulations provide.

[Words indistinct] not exceeding 100,000 yuan made by a unit are exempted from the income tax, the regulations say. The unit may independently (?decide) how to use such earnings. It can use up to ten percent of such earnings to award those who have developed the transferred technology, the regulations add. But an individual must pay the income tax on his or her earnings from technology transfer.

JINGJI RIBAO EDITORIAL ON STATE-RUN COMMERCE

HK161200 Beijing JINGJI RIBAO in Chinese 11 Jan 85 p 1 .

[Editorial: "State-Run Commerce Should Take an Active Part in Regulation by Market Mechanism"]

[Text] In recent years, rural reform, which started earlier than reform in other fields, has proved a remarkable success and has effectively promoted the development of a market economy in the rural economic structure. The present situation in the development of the rural commodity economy is excellent, but there remain things that have yet to be better coordinated. The recent national rural work conference decided to further reform the state's rural economic management system, especially the system of assigning farm produce purchase quotas in order to expand the scope of regulation by the market mechanisms under the guidance of state planning and to promote the development of the rural commodity economy. This will be another major reform step following the introduction of the output contract responsibility system in the rural areas, and will be of great significance to the development of the rural economy.

The measures for increasing the functions of the market mechanisms include the following points: In the field of production, the state will no longer lay down mandatory production plans for the peasants; and in the field of marketing, apart from a very small number of products, the state will not assign any mandatory farm produce purchase quotas to the peasants. Instead, state purchases will be based on contracts and transactions through the markets. This will mark a significant change. The peasants will change their production arrangements from the previous mode of being subject to state plans to a pattern that is oriented to the markets; and the state's planned management over agriculture will shift from the previous means of administrative control to a pattern that relies mainly on economic means.

After the market mechanisms are brought into fuller play in the rural economy, the requirements for peasant households as well as for the state and state enterprises to attain their set economic targets will become higher rather than lower. State-owned commercial enterprises and state commercial departments will be involved in market activities so as to ensure the fulfillment of the plans. The most important prerequisite for this is to formulate planned targets in light of market demands and the social production capacity so as to coordinate and integrate market demands and social needs and to ensure that the planned targets are based on a solid foundation. That is the only way to ensure a correct orientation in which state commerce can play a positive part in market activities.

When participating in market activities, state commercial departments must apply various economic levers and follow the law of value. With markets being opened wide, the economy will become more prosperous. Facts in the rural economy over the past few years have proved this point. However, there must be some means of regulation to give guidance to market activities. A particularly important means of regulation is the lever of pricing. With control over the markets being relaxed, prices will certainly move up and down. So the state must have the necessary material means to influence and the price fluctuations. For example, the state should hold a commodities reserve, which can be used to regulate supply and demand on the markets. The state can also use the state-owned commercial enterprises as a main force for regulating market activities. State commerce should not monopolize the markets, but it can act as an influential element on the markets.

In addition, it is necessary to widely adopt the contract system. The signing of purchase contracts between the state and the peasants can effectively bring the peasants' independent operations into line with the state economic plans. This also represents a good channel for state commerce to play a part in the market economy. With the state placing purchase orders with the peasants for major farm products at preferential prices and buying their surplus products at protective prices, this will effectively protect the peasants' interests and will ensure the stability of the markets.

Expanding the scope of market regulations in the rural economy is the most important step for further enlivening the rural economy. With the participation of state commerce in market activities as an influential economic force, the rural market economy will develop more soundly.

RENMIN RIBAO ON DEVELOPING ELECTRONICS INDUSTRY

HK151238 Beijing RENMIN RIBAO in Chinese 12 Jan 85 p 1

[Commentator's article: "Accelerate the Development of Electronics and Information Industries"]

[Text] The new technological revolution, which is emerging throughout the world, provides a new opportunity for developing our economy; at the same time, it also constitutes a challenge to us. We should tightly grasp this opportunity and meet the challenge. This is of far-reaching significance for social progress and economic development in our country.

Recently, the State Council has studied the strategy for developing the electronics and information industries and has determined the developmental orientation and guiding principles for the work in this field. Among newly emerging industries in contemporary times, the electronics and information industries have the most extensive influence, play the most active role, and constitute the most important aspect. An important way to meet the challenge and to ensure that we will lose no time to apply new technologies to the development of our national economy is to speed up the development of our electronics and information industries and to use various electronics and information technologies to transform the traditional industries. Therefore, the electronics and information industries hold a particularly important position in the development of the national economy as a whole. Our country must build a strong electronics industry by the end of this century.

To develop the electronics and information industries in our country, the primary step is to establish a correct strategy. At present all relevant departments, enterprises, research institutes, and educational undertakings should formulate their respective plans in accordance with the requirements of the State Council and in light of their specific conditions. They should also well coordinate their operations and plans and earnestly ensure the implementation of these plans. In the course of developing our electronics and information industries, we should seriously effect the following two strategic changes: First, primary priority should be given to the application of electronics and information technologies in all fields of social life. The electronics and information industries must be oriented to users and must offer good services to users so as to broaden the markets and develop production. Enterprises in the electronics and information industries should change themselves from those merely engaged in production to those conducting comprehensive business from production to providing technological services, and should exert themselves to develop commodity production and to create the greatest possible economic and social benefit. This will also enable them to accumulate more funds for their own development.

Second, the base for the electronics industry should be shifted to microelectronics technology, with the development of computers and communications equipment as its main body. Efforts should be concentrated on the development of the new generations of components. At the same time, it is necessary to develop all kinds of new products required in the modernization program and to increase the production of electronics products for consumers to a substantial degree. During the period of the Seventh 5-Year Plan, the electronics industry should grow at a speed much higher than those of other industries.

To invigorate the electronics and information industries, we should break through old conventions, display an innovative spirit, adopt reform measures, break barriers between departments and localities, readjust the industrial structure and the product mix, and organize specialized production on a large scale. In addition, we should resolutely give the reins to capable entrepreneurs who have courage and insight and enable them to become pioneers for the development of our country's electronics and information industries.

SEMINAR ON REFORMING CAPITAL MANAGEMENT HELD

HK150829 Beijing RENMIN RIBAO in Chinese 11 Jan 84 p 5

["Academic Trends" column by Lin: "Introducing a Discussion Meeting on the Reform of the Management System in Capital Construction"]

[Text] From 12 to 19 December 1984, the Society for Study of Economics of Capital Construction and the Institute of Economics of Urban and Rural Construction jointly held a national academic seminar on reform of the capital construction management structure in Xingzi County, Jiangxi Province. The discussion at the seminar were focused on the following three issues:

First was the scope of the capital construction management structure and its relations with the construction industry. Clarifying this issue will help focus reform efforts on some key points and will ensure the effectiveness of the reform. Capital construction includes all construction projects that will develop new production capacity, transport capacity, and urban infrastructural facilities, so it is a kind of comprehensive economic activity that will give birth to new fixed assets. The management of capital construction includes the decisionmaking process (the state's making decisions on the total size of investment, investment orientation, and the distribution of production capacity and decisions on specific construction projects) and the concrete construction process (designing, building, and ensuring the supply of funds and materials). The management of things in the above two fields defines functions and powers for, and divides functions and powers between, the central and local authorities, the state and the production and construction units, the units in charge of design and construction and those in charge of supplying funds and materials. The whole set of systems and regulations constitute the management structure for capital construction, which is closely related to, and also strictly distinct from, the management structure for the construction industry. The latter is determined by the character of characteristics of operations in this industry. The management structure for capital construction and the management structure for the construction industry are two different economic categories. In theory, the viewpoint of replacing the management of capital construction with the management of the construction industry or limiting the concept of capital construction management to investment management does not conform with the character, position, and role of capital construction under the socialist public ownership system. In practice, this viewpoint is not conducive to the state's unified management over the decisionmaking and concrete implementation processes of investment in fixed assets, so it is unfavorable to the overall economic management which should be further strengthened and does not help arouse the initiative of the units in charge of construction in the construction projects.

Second was expansion of enterprises' decisionmaking powers in matters of investing in capital construction. People attending the seminar generally held that in recent years, no significant reform has been made in the decisionmaking process of capital construction, which remains under the state's centralized management mainly through mandatory planning and administrative means. Some reform measures have only touched the division of planning powers between the central and local authorities and fail to touch the key point of expanding enterprises' powers in making investment decisions, which should be regarded as a main measure for invigorating enterprises and for improving the economic results of capital construction in a more flexible and open way. At the seminar, people warmly discussed the theoretical foundation, objective conditions, quantitative limits, and concrete steps for expanding enterprises' powers in making investment decisions. One opinion held that as relatively independent economic entities and commodity producers who have decisionmaking powers regarding their production, enterprises should also have decisionmaking power regarding investment, and the two sides are inseparable. While subjecting themselves to planning their industries and regions and paying investment and construction taxes as required, enterprises should have the power to invest part of their own funds or to raise funds on their own; should have the authority to carry out equipment renovation and transformation projects or to expand their production capacity; and should have the right to make reinvestment in themselves or in other enterprises. Another opinion held that since capital construction has a great bearing on the national economy and has characteristics different from production and circulation, the expansion of enterprises' powers in making investment decisions should only be conditional and appropriate under the premise of not affecting the overall balance of the national economy. Therefore, it is necessary to prescribe some quantitative limits and a definite scope for enterprises' powers in making investment decisions. Some people at the seminar pointed out: The main problem of the existing management structure for capital construction is "disorderliness," with each unit going its own way and leaving the size of capital construction beyond control. This has caused difficulties to the concentration of financial and material resources for key construction projects. Therefore, reform should first ensure the proper centralization of the management in order to overcome the disorderly situation. Otherwise, things will become more disorderly and will go even farther out of control.

Third was to relax and enliven minor things and exercise better management over major things. People at the seminar generally held: The two sides should not be set against one another. According to some traditional ideas, relaxing control over and enlivening microeconomic activities will inevitably affect the effective management of the overall situation. As a result, the state takes charge of too many minor things and controls them in a rigid way, while failing to effectively manage the overall situation. Therefore, in order to "ensure effective management over major things and to enliven minor things in a more flexible way," we must break with the outmoded conventions and thoroughly solve the key question of "what and how" the state should take control of. In light of the basic principles outlined in the "Decision of the Central Committee of the CPC on Reform of the Economic Structure," we should study the way to correctly distinguish major and minor powers in the field of capital construction so as to enliven microeconomic activities and ensure the effective management and regulation of the macroeconomic situation; study the way to apply the law of value to the management of investments, projects, designing, construction, and material supply in capital construction so as to give play to various economic levers; and study the way to establish a capital construction management system which combines mandatory planning with guidance planning and gives play to the supplementary role of the market mechanism. The reform of the capital construction management structure has a bearing on the overall situation and involves a wide scope of work. Therefore we must have a general orientation and a general objective for the reform and must have concrete steps as well. The main criterion for judging the success or failure of the reform is whether it is favorable to improving the socioeconomic results of capital investments.

More than 90 people from 18 provinces, municipalities, and autonomous regions and from 11 central departments attended the seminar, and about one-third of them are below the age of 35. They spoke their minds freely in formal and informal discussions throughout the seminar, and the atmosphere was lively and pleasant.

HIGHWAY CONSTRUCTION PROGRESSES 'QUICKLY'

HK111020 Beijing RENMIN RIBAO in Chinese 8 Jan 85 p 2

[Report: "Highway Construction Progresses Quickly in China"]

[Text] In 1984, our country built a total of more than 15,000 km of new highways, nearly double the length of new highways built in 1983. In addition, more than 29,000 km of highways were rebuilt or widened in 1984, reaching the highest level in this regard in recent years. Among the new and rebuilt highways, 1,600 km are first-class and second-class highways. This also set a new annual record in the building of high-class highways. At present our country has a total of 930,000 km of highways that are open to traffic. For many years, highway construction in our country developed slowly. The highways were insufficient and were of poor quality. This seriously affected the development of the commodity economy in cities and the countryside and the people's livelihood. Last year the leading party group of the Ministry of Communications put forward a plan for speeding up highway construction in the course of party rectification. Local departments of transportation and communications also made great efforts to build more highways in the rural areas, which link county towns and townships, by raising funds through various channels, including state subsidies, local financial allocations, bank loans, people's investments, foreign funds, Overseas Chinese contributions, and fees for road maintenance. Many important trunk roads have been modernized and rebuilt.

Commentator's Article

HK111026 Beijing RENMIN RIBAO in Chinese 8 Jan 85 p 2

[Commentator's article: "Smooth Highway Transportation Enlivens All Trades"]

[Text] A popular saying goes: "Roads must be built first if people want to become rich, and smooth highway transportation will enliven all trades." At present, some 400,000 peasants in Yunnan Province are working hard to build or rebuild highways between counties and townships. The province is striving to build a total of 10,000 km of highways this winter and the coming spring so as to change the backward transport conditions in Yunnan. Obviously, this is a significant task.

With the development of the commodity economy, people have paid more and more attention to highway construction. Highways can extend and reach every corner of the country, making it possible to deliver goods and services to people's doorsteps. This means of transportation cannot be substituted with any other means. As compared with things in 1949, highways in our country have increased 10.3 times. But they still do not meet the present needs. Highways in our country, with a total length of 930,000 km, mostly of low standards, are far from being able to satisfy the needs. In many remote and mountainous areas no highways have been built so far. This is a main factor for the poverty in those areas. It is indeed a pressing task of the moment to speed our highway construction.

For a long time, we only paid attention to developing railways and neglected highway construction. Some comrades think that highways use much farmland and may affect agricultural production, while others even think that with automobiles increasing together with the building of more highways, fuel will be in short supply. We should concretely analyze the above two questions with a viewpoint that things are developing. In fact, highways in our country do not take too much farmland. The area of the United States is similar to the area of our country. In 1980 there were an average of 68 kilometers of highways in every square kilometer of land in the United States; Japan has a smaller area, and has an average of 300 km of highways in every square kilometer of land; while our country has only an average of 9 kilometers of highways in every square kilometer of land. Of course, developing highways will certainly take up some land. However, the construction of more highways will achieve and ensure better long-term and overall economic results. The costs of highways are lower than those of railways, and highway construction requires a shorter construction period and yields quick returns. Particularly in economically developed areas, the economic benefit of highways is more obvious. We should realize that with more, longer, and wider highways, circulation of goods and services will be facilitated, and this will greatly benefit the state and the people.

As far as the fuel question is concerned, the oil waste at present is quite serious because our road conditions are poor and our vehicles are small. Some people have made the following calculation: Because of the poor road conditions which force down the average speed from 40 km an hour to 30 km an hour, 50,000 trucks with a carrying capacity of 4 tons will use an extra 50,000 tons of gasoline in a year. Therefore, building more highways and improving road conditions, coupled with the transformation of the vehicles' structure, will certainly achieve better economic results from highway transportation.

An essential reason for the backward condition of highway transportation in our country lies in the shortage of funds. As our state finances remain in a difficult position, we cannot rely too heavily on state investment in highway construction. We should open wide various channels for raising funds and should arouse the localities' enthusiasm for building local highways by raising funds themselves. At present the policy for building highways between counties and towns is to "rely mainly on the initiative of the local masses, with state subsidies as a supplementary means." In poor mountainous areas the method of providing work as a form of relief can be adopted. Last year this policy began to be carried out in Sichuan, Jilin, Yunnan, and some other provinces. The localities contributed labor force and materials, and the state provided technological aid and financial subsidies. Now, marked progress has been made and is being made in highway construction in these provinces. This proves the correctness and feasibility of the current policy.

COMMENTATOR URGES S&T RESPONSIBILITY SYSTEM

HK150957 Beijing RENMIN RIBAO in Chinese 10 Jan 85 p 1

[Commentator's article: "The Responsibility System Should Also Be Adopted in Tackling Scientific and Technological Problems"]

[Text] Soon after the New Year began, there was inspiring news: Remarkable achievements had been made in one-third of the key science and technology projects for the period of the Sixth 5-Year Plan. Some of them had made important progress in terms of technology, while some others had been successfully completed. These achievements have provided successful experiences for tackling scientific and technological problems in the future.

The Fifth Session of the Fifth NPC held in 1982 decided to organize forces at various levels to tackle scientific and technological problems in light of the needs of social and economic development. The practice over the past 2 years shows that this policy decision is entirely correct. Our superior socialist system enables us to rationally organize the scientific and technical forces in all fields, such as in the study of methods of exploitation, applied science, and basic theories, and to give play to their strong points, so as to solve, in a shorter period, the comprehensive, urgent, and difficult technical problems, which will bring about enormous economic returns to our national economy. This is to our advantage. To attain our strategic target of quadrupling the total industrial and agricultural output value by the end of this century, we must continue to do a good job in tackling scientific and technological problems and complete those sophisticated and comprehensive projects as soon as possible.

An important reason for making the aforesaid achievements in a shorter period of time was that a contract was signed on every project. The metallurgical and communications departments even adopted the contract responsibility system in tackling scientific and technical problems. This was a reform in the management system in the scientific and technical fields. The implementation of the contract system is conducive to overcoming the phenomenon of "everybody eating out of the same pot" and to quickening the pace of scientific research, because standards and time limits are set for the completion of work, and the sense of responsibility of the units and personnel concerned is strengthened. This experience should be further popularized. It is necessary to combine the contract system with the economic responsibility system, to link the fulfillment of tasks to personal economic interests, and to further arouse and protect the initiative and creativity of scientific and technical workers.

It is the first time since the founding of the state that six departments, including the State Planning Commission, the State Economic Commission, the State Scientific and Technological Commission, and the Ministry of Finance, have commended and awarded advanced units which have made outstanding achievement in tackling scientific and technological problems during the period of the "Sixth 5-Year Plan." It reflects the spirit of the policy of the CPC Central Committee and the State Council on giving generous awards to those intellectuals who have made important contributions. "Work hard and we are sure to overcome the hardships and obstructions in scientific research." Some three-quarters of the projects in tackling scientific and technological problems, listed in the "Sixth 5-Year Plan" will be completed this year. The tasks are arduous. We hope that through summing up and exchanging experiences and commending those who have made outstanding achievements, the reform of the management system in the scientific and technological field will be further promoted and the tasks for tackling scientific and technological problems, which were set forth by the "Sixth 5-Year Plan," will be successfully fulfilled, so that sufficient preparations can be made for vigorous economic development in the "Seventh 5-Year Plan" period and the last decade of this century.

NEW OIL RESERVES FOUND IN NORTHEAST IN 1984

OW170824 Beijing XINHUA in English 0717 GMT 17 Jan 85

[Text] Shenyang, January 16 (XINHUA) -- Northeast China's Liaohe oilfield last year found reserves of more than 100 million tons in an exploratory zone near Shenyang, according to an oilfield official. Four wells, each producing more than 1,000 tons of crude oil a day, were sunk in 1984 in the 800-square-kilometer zone, bringing the number of exploratory wells with commercial flow there to 80. Liaohe oilfield, exploited for a decade, produces an average of 21,000 tons of crude oil a day.

GUANGMING RIBAO CRITICIZES 'RIGID' ECONOMY

HK161227 Beijing GUANGMING RIBAO in Chinese 6 Jan 85 p 3

[Article by Wang Zhuo: "Break Through the Product Economy Theory"]

[Text] In order to promote the development of China's social productive force, it is necessary to discard the rigid economic structure and replace it with a new economic structure which is full of vigor and vitality.

What is the rigid economic structure in our country? In my opinion, it is a structure combining the product economy with the planned economy, or a structure of planned economy in product production, which is basically characterized by excluding the roles of commodity relations, the law of value, and the market everywhere at all times by the entire economic system taking the planning system as the center. According to this structure, how are commodity relations to be replaced? They are to be replaced by the administrative and subordinate relations of the product economy. What is the role of regulation of the law of value to be replaced by? It is to be replaced by administrative interference and mandatory planning of the product economy. How is the role of the market to be replaced in commodity circulation? It is to be replaced by administrative interference and distribution (allocation) of products of the product economy. This rigid structure inevitably leads to making no distinction between the functions of government and those of the enterprise. As the state enterprises are subordinate to government departments responsible for the work at various levels, barriers are naturally created between different government departments and the regions under the jurisdiction of the governments at various levels in their horizontal economic relations. At the same time, both the departments and regions have mainly adopted administrative measures to intervene in the management and operation of the enterprises, which naturally leads to the defect characterized by the state exercising excessive and rigid control over enterprises. As a result, the socialist economy, which should have been full of vigor, has lost its vitality to a great extent.

However some people hold that the rigid economic structure of our country is a structure combining the natural economy with the planned economy, and take the natural economic theory as the mainstay of the theory on this kind of self-supporting planned economy. In their view, in order to discard the rigid structure, it is necessary to break with the traditional concept of the theory of the natural economy rather than breaking with that of the theory of the product economy. Thus, a question has been raised: Is the rigid economic structure a product of our product economy that has surpassed the phase of the commodity economy or a product of our natural economy which has lagged behind this phase?

In my opinion, to discard the rigid structure means to discard the structure of planned economy in product production; and to break with the traditional concept means to break with the traditional theory of the product economy. The so-called theory of the product economy is a theory taking society as a large enterprise (which is entirely different from the self-supporting production carrying out internal division of work within small production units) and, in accordance with the principle of making no clear distinction between the functions of the government and those of the enterprise and with the society as the center, conducting direct social production, labor, and distribution. It excludes the change from products into commodity as well as from labor, which is spent in the course of production, into value. In the social regulating system it emphasizes mandatory material planning to the neglect of the role of value index. Moreover it has been implemented from the central to local enterprises. It denies that state enterprises are producers and managers in socialist commodity production, engaging in independent operation and assuming sole responsibility for their profits or losses.

It also denies the regulative role of the law of value in production and the role of the economic interests of the enterprises and placing restrictions on the law of distribution according to work. These are the traditional concepts of the theory of the product economy. In theory, they are the concepts surpassing the phase of the commodity economy rather than those of the phase of the natural economy. Whether in the structure theory of our economic system, what we break with are the traditional concepts of the theory of the product economy, and never the concepts of the natural economy. In order to make a further study of this question, I would like to proceed by the following analyses:

1. Many classical works of Marx and Engels, as well as Lenin's "The State and Revolution," hold that commodity production will be eliminated under socialism. The elimination of commodity production mentioned by the Marxist classics does not mean drawing back from commodity production to self-supporting production, but replacing commodity production with product production, or replacing the commodity economy with the product economy. Judging from the classical works of Marxism and from historical facts, the revolutionary teachers of the proletariat never put forward any theory or policy on developing the natural economy under socialism. Of course, the self-supporting production existing in society can give birth to concepts of the natural economy, which has certain influence in the socialist society. However, the rigid structure of the economic system is by no means a product of the natural economy, but a product of the traditional product economy.

2. The spearhead of the "leftist" tendency which repeatedly occurred in our economic work was always directed at the commodity economy. The theoretical bases for this tendency were the theories of direct social labor, direct social production, and direct product distribution. These "three theories" form the basic contents of the theory of the product economy. China's original economic structure, which was characterized by state organizations acting as representatives of the society in exercising control over the production, supply, and marketing, as well as the personal, financial, and material affairs of the enterprises, also took the theory of the product economy as its theoretical basis.

3. Self-supporting production does exist in China's socialist agriculture. This is a result of the development of the productive forces to a certain level. The transformation from self-supporting production to commodity production is a natural process of the economic development. The problem of restricting or expelling commodity production does not exist. The development of history has proved that commodity production is a powerful force pounding at and replacing the former. In the 30 years before the 3d Plenary Session of the 11th CPC Central Committee, the transformation from self-supporting production to commodity production was very slow and the commodity rate of China's agriculture was very low. The development of the entire national economy was thus affected. the root cause for this phenomenon did not lie in the self-supporting production itself or in the fact that the theory of the natural economy was not broken with, but in our policies and economic structure based on the theory of the product economy, which fettered the development of commodity production and the transformation from self-supporting production to commodity production.

Why do we say that the combination of the planned economy and self-supporting production does not exist, but only the combination of the planned economy and commodity production, or product production, in different phases of historical development? In order to answer this question, it is necessary to make an analysis of the development and changes of the mode of social production and of the different phases of development of the planned economy.

First, the mode of social production. The mode of production of human society is decided by the development of the productive forces. The order for the replacement of one mode of productions by another is: self-supporting production, commodity production, and product production. The typical self-supporting production is carried out within a narrow productive unit, mainly with the internal division of work in the productive unit, which is not extended to the social division of work in the society. Such internal division of work in a narrow productive unit is regulated naturally in accordance with the changes in the producers' ages and sexual distinction, and in different seasons. It does not require spontaneous or conscious social regulation. This is why people have called the economy with self-supporting production as the main body the natural economy. As there is no social division of work in self-supporting production, there do not exist such things as commodity exchange, market, and spontaneous social regulation in production. Therefore, there is no question of combining self-supporting production with the market economy. As there is no division of work in self-supporting production in the sphere of society, conscious social regulation is not needed in production. Therefore, there is no question of combining it with the planned economy, either.

Second, the planned economy. Being a means of regulation in social economy, the planned economy is a kind of system of consciously regulating the movement of the macroeconomy. The difference between the socialist planned economy and the communist planned economy does not lie in the social regulation system itself, but in the targets of regulation they are faced with. The target of regulation the socialist planned economy is faced with is commodity production, or the commodity economy, but that facing the communist planned economy is product production, or the product economy. Conversely, the different targets of regulation also play a role of differentiating the two kinds of planned economy from each other. The planned economy is practiced in both the socialist and communist societies, on a common ground of the public ownership of the means of production. A good understanding of this will help us correctly recognize the organic relations between the socialist and communist planned economies and the inevitability of the transformation from the former to the latter.

GUANGMING RIBAO ON ROLE OF LAW OF VALUE

HK160845 Beijing GUANGMING RIBAO in Chinese 6 Jan 85 p 3

[Article by Wu Zhenkun: "The Role of the Law of Value Under the Socialist System"]

[Text] The "Decision of the CPC Central Committee on the Reform of the Economic Structure" scientifically solves the relationship between the commodity economy and the socialist system and explicitly stipulates that the socialist economy is a planned commodity economy based on the public ownership system, thus solving the problem concerning the position and role of the law of value in the Socialist economy.

Since the socialist economy is a planned commodity economy, the law of value will inevitably play its role in various fields. The law of value has two roles -- the accounting role and the regulating role.

The Accounting Role of the Law of Value in Socialist Economic Activities

As we know, the value of a commodity is not determined by the labor time required by an individual commodity producer to produce the commodity but by the labor time required by society for producing the commodity. The labor time required by society is the common measure for appraising the labor time required by an individual commodity producer.

In the commodity economy under the private ownership system, each commodity producer is striving in his own interests to gain a favorable position, to improve his production skills and methods, and to enhance his labor productivity so as to reduce his labor time in production. All this is carried out under the law of value. In the socialist economy, the labor time required by an individual producer for producing a commodity is calculated and compared according to the labor time required by society to enable the backward to catch up with the advanced and the advanced to make continuous progress. Such calculations and comparisons are carried out by society. This means that on the one hand, society carries out advanced direct calculations and comparisons so as to judge whether the labor time required by an individual commodity producer (enterprise) for producing a commodity complies with the labor time required by society for producing the same commodity in a certain period. On the other hand, the indirect calculations and comparisons carried out through commodity exchanges in society are calculations and comparisons occurring after the commodity is produced. These two types of calculations and comparisons can show the difference between the labor time required by an individual producer and that required by society. The part of the labor time required by an individual producer which exceeds the labor time required by society is a waste of time for society and will not be recognized by society; the labor time required by an individual producer which is shorter than that required by society is regarded as saving time for society.

In the commodity economy under the private ownership system, the calculations and comparisons of the labor time required by an individual producer for producing a commodity are carried out without the knowledge of the producer, through the market, and in a blind way. Each commodity producer will know whether his labor time is recognized by society only through exchanges in the market. In other words, calculations and comparisons cannot be carried out in advance. In the economy under the socialist public ownership system, it is necessary and possible to carry out calculations and comparisons in advance, through which society and enterprises can take the necessary measures to improve production skills and methods, to enhance labor productivity, to reduce the labor time required by an individual producer, and to achieve results in saving time for the entire society.

In the economy under the socialist public ownership system, advance calculations and comparisons in society are important, but they cannot substitute for the indirect calculations and comparisons carried out in the entire society through commodity exchanges in the market. Advance calculations and comparisons should be tested and corrected through commodity exchanges in the market so as to enable them to comply with the labor time required by society in a certain period. The labor time required by an enterprise for producing a commodity is recognized (wholly or partially) by society only after the materialization of the commodity. In addition, the production skills, work proficiency, amount of work, and labor productivity of enterprises keep changing. The proportion of their products to the whole product keeps changing. Therefore, the labor time required by society also keeps changing. Such changes meet with rapid responses in commodity exchanges in the market and feedback is conveyed to enterprises and society in such a manner that they take measures to shorten the labor time required both by an individual producer and society.

The law of value plays an accounting role in advance direct calculations and comparisons as well as in the indirect calculations and comparisons carried out after the production of a commodity. Such an accounting role is the basic role of the law of value. Its other role is displayed on this basis.

The Regulating Role of the Law of Value in Socialist Economic Activities

Apart from being regulated by the socialist basic economic law and the law of the planned and proportionate development of the national economy, socialist economic activities are also regulated by the law of value.

First, the law of value still plays an important regulating role in socialist production. Under the conditions of socialist commodity production, the proportionate development of the national economy cannot be divorced from the regulating role of the law of value. The law of value demands that only the necessary labor time be spent on the production of a commodity. It also demands that only the necessary proportion of the total labor time of society be used for the production of different types of commodities. If the output of some commodities exceeds social demand, a part of the labor time of society is wasted, and if the output of some commodities falls short of social demand, a part of social demand cannot be met. Therefore, the total social labor consumed for the production of certain commodities must correspond with the social demand for these commodities. In the socialist economy, under the condition that social labor time is fixed, only when the arrangement of social labor time for the production of various commodities corresponds with social demand, is social labor used in the most time-saving manner.

In the socialist economy, to enable the arrangement of social labor time for the production of various commodities to correspond with social demand, it is necessary to carry out regulation. This regulation should be carried out by society. On the one hand, society should carry out advance direct regulation and arrange social labor time for the production of various commodities in a timely manner according to social demand. On the other hand, it should carry out indirect regulation in the entire society through exchanges in the market. Advance direct regulation shows the planning nature of the socialist economy. So long as such regulation is basically accurate and appropriate, the arrangement of social labor time for the production of various commodities will fundamentally correspond with social demand. Indirect regulation is carried out through exchanges in the market and can supplement what is left unfulfilled by advance direct regulation. Advance direct regulation should be tested and corrected in society so as to make it accurate and appropriate. Indirect regulation can play the role of testing and correcting and can feed back to society and various production units in such a manner that they take correction measures. Indirect regulation is carried out according to the law of value, and advance direct regulation should also abide by the law of value.

Second, the law of value also plays a regulating role in circulating commodities. Under the conditions of the socialist planned economy, the regulating role of the law of value in circulating commodities manifests itself in the fact that the state uses commodity prices in a planned way to balance the relationships between supply and demand. It is impossible for the planned economy to strike a complete balance between supply and demand. Sometimes supply exceeds demand; sometimes demand exceeds supply. In accordance with specific conditions in a certain period, the state can raise the prices of commodities in short supply to limit the demand for which commodities; or, it can reduce the prices of commodities which exceed demand to encourage consumption. In this way, the contradictions between supply and demand can be solved or alleviated to a certain extent. Of course, in using the regulating role of the law of value for circulating commodities, it is necessary to take different measures. For example, a high-price policy toward non-necessities of life such as cigarettes and wine is necessary to limit their consumption. With regard to commodities relating to the national economy and affecting the basic life of urban and rural citizens, a low-price policy should be adopted. Only when commodities are produced and exchanged freely, will their prices rise or fall according to the changes in market supply and demand. Generally speaking, however, the prices of commodities should not deviate too far from their values. This will be beneficial to correctly handling the relationships between cities and the countryside, between the workers and the peasants, and between the state, the enterprise, and the individual, to bringing into play the initiative of persons in various fields, and to speeding up the development of the national economy.

NAVY CADRES ASSIST GRASSROOTS UNITS WITH WORK

HK160838 Beijing RENIMIN RIBAO in Chinese 14 Jan 85 p 4

[Report by Zhao Qi: "A Number of Office Cadres of the Navy Help Grassroots Units With Their Work"]

[Text] Party rectification in the leading organs of the Navy ended at the end of last year. On 10 January, more than 100 office cadres of the Navy, including deputy commanders, deputy political commissars, and other leading comrades above the army level, set out for various grassroots units of the Beihai, Donghai, and Nanhai Fleets and the Naval Air Force as well as various military academies to help them with their work. Before leaving, Navy Commander Liu Huaqing and Political Commissar Li Yaowen told them: The command post of the People's Army should give orders to its grassroots units and serve them as well. This is a good tradition of our Army and a requirement of reform under the new situation. The comrades going down to the grassroots must bring with them the party's good work style, which has been regained through party rectification, take serving the grassroots as an important measure to improve our leadership work and work style, and put this into practice.

Referring to doing a good job in serving the grassroots units, Liu Huaqing and Li Yaowen put forth the following four requirements: 1) It is necessary to acquire the idea of serving the grassroots. All cadres, whatever their rank, must humbly learn from the grassroots units and help them solve their problems and difficulties. 2) While helping the grassroots units, it is necessary to avoid taking over everything that ought to be done by the latter. It is necessary to make an investigation of the achievements of the grassroots and help them sum up their experiences in the reform of military training and in the training of personnel suitable for doing military and civil work, so as to encourage grassroots cadres and soldiers to carry out continuous reforms and to create new things. When defects and problems are found in their work, it is necessary to discuss the reasons for this with the grassroots cadres and to find a way to overcome the defects and solve the problems. 3) It is necessary to share the comforts and hardships of the grassroots cadres and soldiers and prevent the seeking of personal privileges. 4) It is necessary to adhere to the principle of seeking truth from facts and to overcome formalism and such practices as paying lip service and reporting only the good news and not the bad. It is necessary to do a solid job in order to make contributions to the construction of the grassroots units and to blaze a new trail and create a new situation in building a revolutionary, modern, and regular Navy.

PETROLEUM PRODUCTS EXPORTS HIT RECORD IN 1984

OW171345 Beijing XINHUA Domestic Service in Chinese 0201 GMT 16 Jan 85

[Text] Beijing, 16 Jan (XINHUA) -- According to the latest information disclosed by the China National Chemicals Import and Export Corporation, China exported more than 28 million tons of petroleum in 1984, setting an all-time high in its annual petroleum export. The amount of foreign exchange earned by the exports accounts for one-fourth of the total earned by China's total exports.

Petroleum products exported last year included more than 100 kinds of various specifications. The main products were crude oil, gasoline, kerosene, light diesel oil, heavy diesel oil, lubricants, aircraft kerosene, fuel oil, and naphtha. These products were exported to more than 30 countries and regions, including Japan, Brazil, the Philippines, Thailand, the United States, Italy, Singapore, and Hong Kong.

The increase in China's petroleum exports in 1984 was achieved despite an unfavorable international situation where supply exceeded demand. The exports rose by 40 percent over the 1983 figure, thanks to the coordinated efforts of petroleum and transport departments and localities concerned.

China used to be a petroleum-importing country. It became basically self-sufficient in petroleum products in 1963, and began to export large quantities of petroleum in 1973.

XINHUA COMMENTATOR HAILS 2D MAJOR RURAL REFORM

OW151433 Beijing XINHUA Domestic Service in Chinese 0759 GMT 11 Jan 85

["XINHUA commentator's article: Usher in the Second Major Reform in Rural Areas" -- XINHUA headline]

[Text] Beijing, 11 Jan (XINHUA) -- At the beginning of the New Year, Premier Zhao Ziyang announced the important news: The state will adopt a more flexible policy toward agricultural and sideline products, gradually abolish the 30-year-long practice of unified state procurement and marketing of major agricultural produce, and expand the role of market regulation under the guidance of state plan while the state also actively participates in market regulation. This is the second major reform in rural areas since the introduction of contracted responsibility system with remuneration linked to output and is of great significance for invigorating the rural economy, rationalizing the rural production structure, and promoting urban economic reform.

In the early 1950's, we were compelled to institute the system of unified state procurement and fixed state procurement of major agricultural and sideline products because of short supply of materials. During the initial stage, the system indeed played an active role in ensuring supply and supporting construction. However, with the rapid development of agricultural production in recent years, its defects have become more and more noticeable. Unified state procurement and fixed state procurement cut off direct links between the producer and the market -- the peasants produced whatever the state had planned and the state purchased whatever amount the peasants had produced (after deducting the portion for self-support). Hence, the system has given rise to abnormal phenomena: While the quantity of some agricultural and sideline products has increased, their quality remains poor and variety inadequate. Failing to meet the people's needs, the products are stockpiled and become unsalable. Moreover, the producers do not receive feedback about their stockpiled and unsalable products, and thus the peasants are unable to change their irrational production structure. For this reason, abolition of the system of unified state procurement and marketing and expansion of the role of market regulation under the guidance of state plan has become an important step for further invigorating the rural economy.

Some people hold that the current contradictions in the rural economy actually reflect the irrational production structure and that they can be solved with concentrated efforts. This view is correct but not comprehensive mainly because it does not answer the following question of readjustment: Should the irrational production structure be readjusted under state plan from top to bottom levels, or, should it be readjusted through the mechanism of market and under the guidance of state plan? Although the socialist economy is a planned commodity economy which requires a plan for guiding readjustment of the macroscopic economy in the rural areas, it would be a hard and thankless job to map out a unified plan for the rural production structure and system, which is based on complicated natural and economic conditions, and coordinate the production activities of hundreds of millions of households with the social needs. It is necessary to point out that rational readjustment of the production structure should be independent of an individual's subjective will and should be carried out in accordance with the objective law of commodity economy. Therefore, the only answer to the question is to lift the control of management system and let the peasants gear their production to the needs of market, granting them decisionmaking powers to quickly reflect the changes in social needs, and manage their production in order to gradually facilitate the formation of a rational rural production structure.

Will the expanded role of market regulation affect the price of agricultural products? We should view the question this way: Our market regulation is carried out under the guidance of the state plan, with the active participation of the state, and on the basis of increasingly ample supply of agricultural products and, in general, it will not lead to price hike. Even if abnormal price fluctuations occur in certain localities or for certain products, it will not be difficult to solve the problem because state can use the powerful economic strength under its control to purchase or sell products in the market and maintain the price at a level compatible with the interests of both the producers and the consumers. The recent steady decline of prices of commodities with better quality and more variety in some selected localities is a convincing proof of this point.

The abolition of unified state procurement and marketing of agricultural and sideline products and the expansion of the role of market regulation under the guidance of state plan signifies a fundamental transformation of China's rural economy from self-supporting and semi self-supporting type to commodity type, which has set a series of new requirements for rural organizations and cadres at various levels. The peasants should not follow the old pattern of production. In investing funds and labor force, it is necessary to have the concept of commodity production and, first of all, consider market needs. In order to sell products and earn profits, it is also necessary to pay attention to improving the techniques, lowering consumption of resources, raising labor productivity, and striving to spend less time than necessary to produce a certain product. Rural organizations and cadres at various levels also should not use the old method in leading production. They should familiarize themselves with the transformation from mandatory planning to guidance planning, shift from using mainly administrative means to using mainly such economic levers as pricing, taxation, and credit, and get used to the change from issuing orders to providing before and after production services to the peasants. Efforts must be made to study all with which we are not familiar.

The reform that solves the problem of "everyone eating from the same big pot" was initiated in rural areas. The current reform again starts in rural areas. We are convinced that the 800 million peasants will surely take a very important step on the road of reform and add more illustrious chapters to the annals of the economic structural reform in China.

JINGJI RIBAO CRITICIZES OUTDATED CONCEPTS

HK180257 Beijing JINGJI RIBAO in Chinese 12 Jan 85 p 1

[Commentator's article: "Break Away From Outdated Concepts"]

[Text] In recent years, in the areas in Guangdong, Jiangsu, Zhejiang, Hebei, and so on, the economy is lively, markets are flourishing, and the construction of the four modernizations is extremely energetic and vigorous. Contributing to the great improvement in their work are, of course, their individual strengths and "unique skills." However, they have one experience in common, and that is they pay attention to eliminating old concepts. They hold that it is difficult to carry out the reform and to stimulate the spirit and devise means to manage the country well without breaking away from outdated concepts. This understanding is very profound.

An outdated concept is a kind of inertia, which usually controls millions of people and creates very great resistance to reform. With minds full of outdated concepts, people are bound to be mentally rigid and to have difficulty with every step. Therefore, when we are talking about reform, first of all we should ideologically get rid of the old to make way for the new. This year is the decisive first year in carrying out the central authorities' decision regarding structural reform. Our economy is facing even bigger changes. And our ideological concepts are required to be further updated.

At present, the central authorities have decided to abolish the system of state unified purchase of major agricultural products and to gradually relax policies. In order to further adapt ourselves to the relaxed new situation, we must remove the outdated concept that stabilizing commodity prices means freezing commodity prices and establish the new concept that reasonable adjustment of prices should be conducted in accordance with value and the relationship between supply and demand; we must remove the outdated concept of relying on administrative orders to lead economic work and establish the new concept of applying economic levers to regulate the economy; we must change the outdated concept that the state unifies distribution and the upper levels designate quotas for lower levels, and establish the new concept that the enterprises concerned face the market directly and production, supply, and marketing have direct contacts with each other; we must change the outdated concept of solely pursuing mass production in great quantity and establish the new concept of small quantity, quick delivery and fast turnover; and so on. Only in this way can our economic reform progress and develop.

An outdated concept is formed in given social economic conditions. When the social economic situation changes, people's ideological conditions will also change. Fundamentally speaking, with the development of the reform, outdated concepts will be removed sooner or later. However, any major social reforms always need a number of forerunners with innovative concepts; otherwise, there will not be any reforms, not to mention thorough elimination of outdated concepts! This truth shows that on the one hand we should not passively wait for the elimination of the outdated concepts; instead, we should with initiative actively and boldly devote ourselves to the reform and promote the reform. On the other hand, compulsive methods should not be applied in changing people's outdated concepts; since people's cognitive ability differs, they should be allowed time to get to know things, and our main purpose is to let people gradually improve their understanding in the practice of reform. The practice of millions of people is not only a good form for the people to educate themselves but also can help leaders enhance their level of understanding. As long as we go deeply into the practice of the reform and carefully observe how people are building a new life in new ways, we can effectively eliminate outdated concepts. Because "in there, just by relying on common observation, the rotting of the old things and the burgeoning of the new things can be easily differentiated." ("Collected Works of Lenin," Vol 35, pp 410, 411)

RENMIN RIBAO ON NATURAL PROTECTION ZONES

HK141358 Beijing RENMIN RIBAO in Chinese 9 Jan 85 p 3

[Commentator's article: "Protect Scientifically, Use Scientifically"]

[Text] The establishment of natural protection zones is an undertaking which has been gradually developing since the 3d Plenary Session of the 11th CPC Central Committee. As the name implies, the natural protection zones are intended first for natural protection. The valuable and rare animals and plants in the natural protection zones are our national treasures and are also part of all mankind's wealth. If we do not take effective measures to protect them from extinction, we may cause irretrievable losses. Therefore, establishing and managing natural protection zones is a job of great significance, and we must never take it lightly.

To protect the natural environment and resources, we should not simply "lock up" the areas under protection. Presently, the total area of natural protection zones in our country exceeds 8 million hectares. If we only take passive steps to protect these zones, we may not only run into shortages of funds, manpower, and materials, but may also hinder the conduct of some construction projects, thus drawing our work in all fields into a passive position. Many of the natural protection zones are inhabited by people who depend for their production and livelihood on the forest resources generation after generation in these zones.

We must carry out the principle of "effectively protecting resources, actively domesticating and breeding precious wild animals, and making reasonable use of resources in the protection zones." While persuading the local people to cherish and take good care of the precious wildlife, we should also strengthen relevant research and help local people develop the domestication of the rare and precious wild animals and the growing of precious wild plants. This will break new ground in their production and will integrate production with natural production in a scientific way. Under the premise of effectively protecting wild animals and plants and the natural environment from disturbances, we should take appropriate steps to open part of these protection zones to tourists with the approval of the state. This will also benefit the development of these protection zones.

Natural protection and the exploitation of natural resources should all follow scientific laws. Presently when talking about development, some comrades mainly have their eyes on making a fortune from the protection zones and they neglect the scientific utilization of resources in these zones. For example, some localities, departments, and units only try to make gains from the protection zones, which are considered by them as some "ready sources of money and other special offerings;" in order to earn more foreign exchange, some localities have organized mass hunting of river deers to get musk or have excessively gathered some precious herb medicines, almost exhausting these precious resources; some units and departments are in a race to open tourist spots and build sanatoriums in protection zones without authorization, and this has resulted in serious pollution and destruction of the environment on which the precious wild animals and plants rely to live. All this must be immediately checked and must not be allowed to continue.

There should be unified leadership over the work of running natural protection zones strictly according to relevant state decrees and regulations. No unauthorized actions should be taken by localities in these zones. It is also necessary to strengthen the ranks of personnel taking care of the natural protection zones. Presently some working personnel still lack basic scientific knowledge, and it is urgently necessary to increase scientific and technical personnel and to strengthen the training for common workers attending on the protection zones.

The running of natural protection zones is a cause of the state and the nation. It is everybody's duty to protect our national treasures. All units and individuals are absolutely prohibited from hunting rare animals and cutting precious plants without authorization. The judicial departments should severely punish lawbreakers according to the law. Only under the guidance of correct policies and by relying on science and the legal system can we ensure the healthy development of the work of running natural protection zones so as to benefit future generations and all mankind.

NINGXIA, SHANGHAI COOPERATE IN TRADE, TECHNOLOGY

OW170411 Beijing Domestic Service in Mandarin 1200 GMT 14 Jan 85

[Text] According a Ningxia regional radio station report, leading an economic and technological cooperation delegation, Hei Boli, chairman of the Ningxia Hui Autonomous Regional People's Government, recently discussed with Wang Daohan and Ran Chongwu, respectively mayor and vice mayor of Shanghai Municipality, and responsible comrades of municipal departments concerned, further expansion of economic and technological cooperation between the two localities. Important results were achieved during the discussions. Agreements were reached on over 60 specific items proposed by the Ningxia Hui Autonomous Region, and a number of other important items, such as energy development and technological cooperation.

ANHUI'S HUANG HUANG HEARS PLA SELF-CRITICISM

OW170925 Hefei Anhui Provincial Service in Mandarin 1100 GMT 14 Jan 85

[Excerpts] Leaders of a certain army corps under the PLA Units stationed in Anhui made a special trip to Hefei on 7 January to report to the Anhui Provincial CPC Committee and the provincial People's Government on the army corps' efforts in education on thoroughly negating the Cultural Revolution and in examining the PLA Units' mistakes in conducting the "three supports and two militaries" campaign and to listen to criticism. To this end, Standing Committee members of the Anhui Provincial CPC Committee and responsible persons of the PLA Units stationed in Anhui held a lively and friendly discussion meeting on the afternoon of 8 January. They happily gathered together and exchanged views. Huang Huang, secretary of the provincial CPC Committee, presided over the meeting.

(Liu Jingsheng), former political commissar of the Army corps under the PLA units stationed in Anhui, on behalf of the Army corps CPC Committee and the PLA units stationed in Anhui, made self-criticism on mistakes in the "three supports and two militaries" campaign in Anhui. He said: The PLA units stationed in Anhui committed many mistakes in supporting the left in Anhui. In supporting the left, the leftist line was carried out and a number of cadres were sent down to the countryside. The closing of a number of schools and hospitals caused difficulties to cadres and the masses. Intellectuals were persecuted and serious harm was done to education, science, technology, and public health. The mistakes caused serious loss to Anhui Province's socialist construction. We wish to apologize to the leaders at various levels and to the broad masses of people in Anhui. We also wish to apologize to those comrade and their families who were harmed by our mistakes.

Comrade (Liu Jinsheng) earnestly hoped that those present at the meeting would make criticism, and pledged that the military would seriously draw lessons from past mistakes, further eliminate leftist ideological influences, enhance party spirit, and strive to improve Army-government and Army-people unity. He expressed thanks to the leaders at various levels in Anhui Province for their concern and support to the PLA units.

At the meeting Shi Junjie, deputy secretary of the Anhui Provincial CPC Committee, gave a briefing on the situation in the province in launching party rectification work and conducting education on totally negating the Cultural Revolution.

Huang Huang, secretary of the provincial CPC Committee, spoke at the meeting. He praised the leading military comrades for taking the initiative in admitting mistakes and making self-criticism. He said: You belong to PLA units with a glorious tradition. During the revolutionary war years, you closely fought on the side of the people of Anhui Province and fostered close sentiments. You have made great contributions to the revolutionary cause. As for the military's mistakes in supporting the left, they were committed under the particular historical conditions of the Cultural Revolution and are past mistakes. We must bear in mind the lessons drawn from these mistakes, further carry forward the party's and the PLA's glorious traditions, unite as one and look forward, work together with one heart, and exert common efforts to build the four modernizations.

Also attending the meeting were responsible comrades of the provincial CPC Committee Wang Yuzhao, Lu Rongjing, (Xu Leyi), (Yang Yongliang), (Zhang Lingyuan), (Zhao Baoxing), and (Hong Qingyuan). (Xu Kejie), former deputy commander of the Army corps under the PLA units stationed in Anhui, and Jiu Dehe, commander of the Anhui Provincial Military District, also attended the meeting.

During their stay in Hefei, the leading military comrades called on former provincial, prefectural, and city leading cadres Huang Yan, Zhang Kaifan, and Wang Guangyu and apologized to them for their mistakes. They also visited the Hefei City CPC Committee, Anhui Agricultural College, Hefei Industrial Engineering College, and concerned units.

JIANGSU BEGINS 2D STAGE OF PARTY RECTIFICATION

OW180605 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 15 Jan 85

[Text] The second stage of party rectification in our province began this month, according to a report by our station staff reporter (Yiao Yunlong). Acting in accordance with the principle of proceeding from the top downward in grouping, this stage of party rectification is to be conducted in units divided into three groups and is expected to take 2 years; that is, through to the end of 1986 when the whole rectification process ends.

Units in the first group to undergo the second stage of party rectification are: City-level organs of all cities, city enterprises, and units that are affiliated to city enterprises in party relationship; the Yizheng Chemical Fiber Industrial Corporation, the Zhejiang Provincial General Silk and Satin Company, and the Huadong Geological Prospecting Corporation -- the 3 units at the provincial department level; 39 units directly under provincial departments and bureaus; and a number of units directly under 5 provincial departments and bureaus. All these units are generally expected to complete this stage of party rectification in June or July.

Units in the second group to undergo the second stage of party rectification are: County-level organs of all counties, county enterprises, and units that are affiliated to county enterprises in party relationship as well as organs under various cities that are not included in the first group mentioned before. Units in the second group to undergo this stage of party rectification process shall begin the process in May or June and should complete it by the end of this year.

Units in the third group to undergo the current stage of party rectification are grass-roots party organizations in urban and rural areas. They are required to begin this process at the end of 1985 and complete it by the end of next year.

The second stage of party rectification began after the 3d Plenary Session of the 12th CPC Central Committee and the 7th Jiangsu Provincial CPC Congress. Success in the second stage of party rectification has extremely important significance in work to strengthen and improve party leadership, bring about a fundamental turn for the better in party style, promote reform of the economic structure, fulfill the general task and goal formulated by the 12th party national congress, and win new victories in seven battles in our province.

QIAO XIAOGUANG AT GUANGXI RECTIFICATION MEETING

HK170215 Nanning Guangxi Regional Service in Mandarin 1130 GMT 16 Jan 85

[Excerpts] From 8 to 12 January, the regional CPC Committee held a meeting in Nanning of secretaries of prefectural and city CPC committees to discuss and sum up experiences in first-stage party rectification and make arrangements for the second stage. Regional CPC Committee First Secretary Qiao Xiaoguang presided. Deputy Secretary Chen Huiguang conveyed the spirit of the forum on second-stage party rectification convened by the Central Commission for Guiding Party Rectification. Deputy Secretary Wei Chunshu made a speech on behalf of the regional CPC Committee on the situation in first-stage party rectification in Guangxi and arrangements for the second stage. The prefectural and city CPC Committee secretaries also heard a speech delivered by Huang Yun, deputy secretary of the regional CPC Committee, at a conference on economic work. Liu Tianfu, head of the Guangxi liaison group of the Central Commission for Guiding Party Rectification, also delivered an important speech. Comrade Qiao Xiaoguang delivered a summation.

The meeting held: First-stage party rectification work in our region has been healthy and fruitful. There are many experiences worth referring to in the second stage. These experiences are as follows:

1. Seriously study the party rectification documents, so as to appropriately solve various ideological problems that crop up in the course of rectification and unify ideological understanding.
2. Carry out intensive education in totally negating the Cultural Revolution, eliminate leftist ideology and factional influences, and strengthen party spirit.
3. Conduct simultaneous rectification and correction, straighten out the guiding ideology for professional work, and correct unhealthy trends, especially new unhealthy trends that have emerged in the new situation.
4. Implement the principles of focusing on four things, accurately identify the main problems to be solved in party rectification, and do a good job in comparison and examination.
5. Strengthen the building of the leadership groups in accordance with the criteria for four transformations of the cadre force, improve the work style of the organs, and improve work efficiency.
6. Integrate party rectification with economic and professional work.

The meeting focused on discussing questions of second-stage party rectification in the region. This stage is beginning this January and will be conducted in two groups. The first group includes all prefectural and city party and government organs and also those of Liuzhou Railway Bureau; regional party and government organs that did not take part in the first stage; and institutes of higher education, scientific research units, and large factories and mines. The second group includes the party and government organs of counties and county-level cities, and all enterprises subordinate to the region and to the prefectures and cities.

The meeting held: Second-stage party rectification covers a broad area with many party members involved. These party members are closer to the grassroots masses and shoulder the task of implementing the party's line, principles, and policies. Hence, doing a good job of this stage of party rectification is very important for completing the party rectification task throughout the region and creating a new situation in socialist construction in Guangxi. As long as we resolutely act according to the central instructions and strengthen leadership, we will certainly be able to smoothly carry out and victoriously complete the second stage of party rectification.

The meeting held: The key to making a success of the second stage lies in implementing the central arrangements for the second stage in conjunction with the actual situation in the region, absorbing the experiences of the second stage, and focusing on grasping the following tasks:

1. Do a good job in studying the party rectification documents throughout the whole process of rectification. It is necessary to stress study in four respects: 1) The CPC Central Committee decision on party rectification, and the spirit of the relevant circulars of the Central Commission for Guiding Party Rectification; 2) the CPC Central Committee decision on reform of the economic structure and the minutes of the CPC Central Committee Secretariat's discussion on Guangxi's economic work; 3) Comrade Deng Xiaoping's "Build Socialism With Chinese Characteristics"; 4) documents and articles on totally negating the Great Cultural Revolution.
2. Accurately identify the main problems to be solved in party rectification and seriously do a good job in comparison and examination.
3. Seriously implement the principle of simultaneous study and discussion and simultaneous rectification and correction.
4. Closely integrate party rectification work with various items of work that must currently be grasped well, and make overall arrangements for them. We must further grasp the work of weeding out people of three categories and do a good job in handling problems left over from the Cultural Revolution. In connection with party rectification, we must further promote structural reform, streamline the administration and delegate powers, and do a good job in assigning the leadership groups at all levels. We must do well in economic reforms and all professional work.
5. Strengthen leadership over party rectification work. All units launching rectification must, under the unified leadership of the party committee, organize two teams, one to tackle rectification and the other to deal with economic and professional work. Units at county-level and above must set up party rectification leadership groups.

The meeting also discussed and studied the situation in handling problems left over from the Cultural Revolution and made specific arrangements for successfully completing this work.

HENAN COMMENTARY ON REFORMING RURAL PRODUCTION

HK161154 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 15 Jan 85

[Station commentator's article: "Let's Do a Good Job in Readjusting the Production Structure -- First Talk on the Current Rural Work"]

[Text] A common saying goes: The cleverest housewife cannot cook a meal without rice. At present, the rural areas are not in this situation. Rather, the rural areas abound in rice and are relatively better off.

Following the 3d Plenary Session of the 11th CPC Central Committee, the province has seriously implemented the party line, principles and policies. As a result, the province has reaped successive bumper agricultural crops, and the output volume of major agricultural products has been on the increase.

Undoubtedly, the increase in grain and cotton output is a good thing. This has provided much motive power for switching China's agriculture onto the track of large-scale commodity production as well as modern agriculture. However, the sharp increase of commodity grain in such a short time has brought about problems of having difficulties in selling or storing grain in many localities. This is indeed a new issue which is worth studying.

Thus, this requires us to strengthen our capability of conforming and switching to the production of commodity grain and cotton. Let us do a good job in reforming the structure and seize the favorable opportunity to speed up the reform of the rural production structure.

The whole content of the rural production structure consists not only of agriculture, forestry, animal husbandry, sideline production and fishery. If we just take these five elements as the entire content of the rural production structure, we shall be unable to develop the rural commodity economy on a large scale. In order to do a good job in this area, we must get rid of the traditional concept of the small-scale agricultural economy. In addition, we must establish the one for a scientific and modern industrial structure for the rural areas. In other words, we should establish the concept of having a whole and multi-level industrial structure for the rural areas. Specifically speaking, we must:

First, plant grain well in areas which are suitable for growing this crop.

Second, advocate joint operations among agriculture, industry and commerce. In particular, we must encourage multi-level processing production, and do well in the work of switching grain production to other kinds of production.

Third, readjust the agricultural structure in light of market demand and natural conditions.

Fourth, readjust the proportion of primary, secondary, and tertiary industries so that tilling will gradually become focused on competent tillers and other manpower engaging in farming will be switched to secondary and tertiary industries.

Provided that every one of us manages to do well in reforming the structure, various industries in the rural areas will be developed in a coordinated way. And only when we have managed to do well in this work can we continue the trend of development in the rural areas. We shall continue to improve the peasants' livelihood and their level of consumption, as well as shall further invigorate the rural commodity economy.

HUBEI CALLS FOR HALTING ILLEGAL LAND USE

HK171428 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 16 Jan 85

[Text] The provincial government recently issued an urgent circular to all prefectural administrative officers and all city, autonomous prefectural, and county governments on immediately curbing acts of arbitrarily occupying and using land.

The circular points out that there has existed in the rural areas a very serious problem of arbitrarily occupying and using state and collective land in violation of relevant regulations of the state. Some sign sale and purchases agreements in private land deals; some forcibly occupy land by taking advantage of their power and positions; some take over more but use less land; some break up the whole into parts and overstep their power in examining and approving land deals; and some build houses on the land contracted for by others. All these problems must be investigated and corrected immediately.

1. It is necessary to fully understand the importance of protecting land, to propagate and implement relevant regulations on land management stipulated in the Constitution and other laws, and resolutely fight against illegal acts in land transactions. Governments at all levels must put land management high on their agendas and appoint a leading comrade in charge of the work who must take measures to effectively strengthen land control.

2. It is necessary to strictly implement the unified system stipulated by the state in examining and approving a land deal. If the state, collectives, and individuals need land for construction, they must, in strict accordance with the procedures stipulated by the State Council and relevant regulations stipulated by the provincial government, apply to the land control organs at various levels for using land, and their applications must be examined and approved by relevant departments within the limits of their authority.
3. All localities must set up a land management department or other relevant departments to seriously examine and handle such problems as buying and selling land; arbitrarily occupying and using land; paying compensation for the occupation of various land; and misappropriating labor forces. It is necessary to seriously deal with typical cases of cadres violating the law by taking advantage of their power and position, and to affix criminal responsibilities on those elements who have all along engaged in corruption, taken bribes, and illegally obtained exorbitant profits by making use of land deals.
4. All departments concerned must closely cooperate with each other and strengthen land management. Financial and monetary departments must play their functional role in supervision and administration, and must resolutely refuse to accept and pay money involved in land deals. Labor departments are not allowed to arrange for labor forces. The rural masses have the right to resist the illegal occupation of land and to report it to departments concerned.
5. It is necessary to further set up and perfect land management departments, strengthen management personnel, and properly carry out land management so as to make due contributions to promoting urban and rural construction and the economic boom.

LI LIAN SPEECH AT HEILONGJIANG LITERARY CONGRESS

SK150330 Harbin HEILONGJIANG RIBAO in Chinese 31 Dec 84 p 1

[Congratulatory speech given by Li Lian at the Second Heilongjiang Provincial Congress of Literary and Art Workers on 30 December 1984]

[Text] Comrades: The Second Heilongjiang Provincial Congress of Literary and Art Workers successfully opened today! More than 500 delegates from literature, drama, arts, music, quyi, dance, movies, acrobatics, folk literature and art, calligraphy, photography, critic, and teaching circles have happily gathered together to discuss the major programs for making socialist literature and art flourish and creating a new situation in the province's literary and art work. This is a major event of historical importance in the political and cultural lives of the people of our province. I extend warm congratulations to the congress on behalf of the Heilongjiang Provincial CPC Committee!

Since 1958, when the first congress of literary and art workers was held, the literary and art front of the province has traversed a long and tortuous road, experiencing both fairly smooth development and serious setbacks. During the 10 years of internal disorder, literary and art undertakings were ruined, the masses of literary and art workers were persecuted, and many fine works were slandered as being poisonous weeds and were criticized. Together with the people throughout the province, comrades of literary and art circles waged persistent and dauntless struggles against the two counterrevolutionary cliques of Lin Biao and the "gang of four," making due contributions. Since the 3d Plenary Session of the 11th CPC Central Committee, the literary and art circles of our province have resolutely implemented the party's line, principles and policies, thus arousing the enthusiasm of the masses of literary and art workers and creating an unprecedentedly good situation in the literary and art front. Literary and art creations and art performances have developed vigorously, the literary and art contingents have grown in strength every year, mass literary and art activities have become very active, and literary and art undertakings have progressed continuously. To satisfy the needs in the masses' spiritual life, literary and art workers have created and performed, or displayed, a number of fine works reflecting socialist modernization and the people's rich and colorful lives. Some of these works and performances were commended by the state, and others became internationally famous, thus making contributions to the socialist spiritual civilization of the motherland. The province's literary and art front is one of the departments with fruitful achievements, and the diligent work of the masses of literary and art workers deserve our respect. We thank all the professional and amateur literary and art workers who have worked diligently for making the socialist literature and art flourish and building the socialist spiritual civilization. I avail myself of this opportunity to extend my warm greetings and earnest respect to you!

Comrade Hu Yaobang recently called on the literary and art circles to achieve "great vigor, great unity and great prosperity." This expressed the determination of the CPC Central Committee to carry out the four modernizations wholeheartedly, and also the party's ardent expectations from literary and art workers. Our literary and art workers should strive to implement this call.

We are now working diligently for building socialism with Chinese characteristics and for fulfilling the grand objective of quadrupling our annual industrial and agricultural output value by the end of this century. The way to attain this objective lies in reform. The rural economic structure of our country has experienced a tremendous change, and an upsurge in urban reform has been created. The recent 3d Plenary Session of the 12th CPC Central Committee, which has great historical significance, decided to accelerate the reform of the urban economy and the whole economic structure. All this shows that we are in a new era of great change.

Whether or not we can extensively present the fighting features of our great age is an important criterion for judging whether literary and art work is flourishing. Literary and art workers must intensify their sense of responsibility and mission; actively plunge into life, bubbling over with the four modernizations; throw themselves into the ongoing great reform, in order to derive ideological, living, and artistic nourishment and to receive inspiration for literary and art works; and strive to portray a new figure who is brave in blazing new trails, active in carrying out reform, and ready to give his life for the four modernizations.

At the same time, literary and art workers should expose the contradiction and conflict in practical life, and criticize the ideas of the exploiting class and the outmoded habits and influence, as well as concepts that hamper the development of the four modernizations. For this reason, we should improve our understanding of the theories of Marxism-Leninism-Mao Zedong Thought, and constantly readjust our knowledge structure. We should understand not only social sciences but also natural sciences, and should not have only rich historical knowledge but also master modern scientific and general knowledge. In a word, we should become not only literary and art experts, but also scholars and thinkers. Only by so doing can we enhance our understanding, improve our ability to reflect the many-sided and complicated social life, create more first-class spiritual works which are worthy of the name of the great age, and contribute to the socialist spiritual and material civilizations.

In order to enable our province's literature and art to flourish, we must further emancipate the "productive forces in art." We should thoroughly negate the "Great Cultural Revolution," and eliminate the customs handed down from the "Great Cultural Revolution." We must draw lessons from the practices of "taking class struggle as the key link" and "opening the road with mass criticism." In future literary and art work, we should not be apt to say that someone has "departed from the correct stand," refused to maintain unanimity with the CPC Central Committee," "refused to uphold the four fundamental principles," and "indulged in the capitalist liberalization." Literary and art workers should liberate themselves from the trammels of "leftist" ideas, outmoded conventions, and traditional concepts; emancipate their mind; be bold in blazing new trails; and pioneer the road of advance. On the basis of upholding the four fundamental principles, literary and art workers should firmly implement the principles of letting a hundred flowers blossom, weeding through the old to bring forth the new, and making foreign things serve China and the past serve the present, advocate the free development of various forms and styles of literary and artistic creation, and encourage the free discussion of different viewpoints and schools of thought in terms of literary and art theories. Literary and art workers should also overcome the unitary, narrow-minded, and inflexible concepts of art and aesthetic standards, and strive to satisfy the people's various needs for their cultural livelihood. We should use the conditions for opening to the outside world to conscientiously draw upon the advanced scientific knowledge and cultural achievements of foreign countries, and to study the good things of various national cultures across the world in order to enrich our own culture. At the same time, we should resolutely resist the corrosive influence of bourgeois ideas and the capitalist mode of life, and strive to attain the goal of "excluding the pollution, but not the foreign things." The criterion for judging whether or not our literature and art conform to the needs of the times and the people is whether or not they are conducive to realizing the four modernizations, to strengthening the people's confidence and initiative in building socialism, to making the people become prosperous as soon as possible, to building our socialist spiritual civilization, and to strengthening our great unity. On the premise of not violating this criterion, we can go all out to freely create literary and art works and scale new heights in this regard.

Further implementing the policy toward intellectuals is an important condition for arousing the enthusiasm of the broad masses of literary and art workers, as well as for enlivening our province's literary and art work.

We must improve treatment of literary and art workers in terms of political and material concerns, and solidly help them solve some practical problems. We must pay full attention to cultivating talented persons, continuously eliminate prejudices against the intellectuals, widely open up ways for recruiting them into the party, and enthusiastically and prudently recruit party members from among literary and art workers. Essential conveniences must be given to literary and art workers in reading documents and hearing reports. We must create essential conditions for writers and artists to observe and learn from real life and to conduct art exchanges at home and abroad. With regard to housing conditions, allowances, and medical and health protection, literary and art workers and scientific and technological personnel should be treated equally. High payments and bonuses must be given to those literary and art workers who have made great contributions. All localities must conscientiously implement the 12 measures for enlivening the literary and art creations set forth by the provincial CPC Committee and the provincial government in order to promote the development of our province's literary and art undertakings.

We are not only literary and art workers but also reformers. We should not only enthusiastically engage in all reforms in society but also conduct the literary and art reform and the reform of the literary and art structure. The literary and art reform has its own specific characteristics and complex nature. We must conduct investigations and studies, persistently take the scientific attitude of seeking truth from facts, and conduct reform in a planned manner. Through reform, we will further arouse the people's enthusiasm, bring into full play our wisdom and intelligence, and improve the ideological and artistic quality of the spiritual products in order to make the literary and art work submit to and serve the general tasks and the general goal of the party and the country.

In order to enliven our province's literary and art work, the broad masses of the literary and art workers must be further united. Literary and art workers and critics among the ranks of literary and art workers, literary and art workers in all literary and art departments and literary and art schools, specialized personnel and sparetime personnel, leaders and subordinates, and all localities and departments must learn from, help, respect, and encourage one another, concentrate energies on improving the ideological and artistic quality of literary and art creations, conduct good studies and discussions, and realize the key task of developing the "artistic productive forces." We should take a broad view, look ahead, and vie with each other to make contributions. In particular, we should hope others go ahead of us, to make outstanding achievements, and to scale the peak of the literary circles throughout the entire country and the entire world. With so many brilliant literary and art workers, our literary and art work will flourish. We must tirelessly strengthen the ranks of literary and art workers. The ranks of the literary and art workers still have a long way to go in terms of quantity and quality in view of the rapid development of the great age and the people's increasing cultural requirements. All cultural and art departments should make efforts to organize more people into an enormous and powerful literary and art contingent, focusing on specialized literary and art workers and basing efforts on sparetime literary and art workers. This is of great significance in enlivening our province's socialist literary and art work.

CPC committees at all levels should strengthen and improve leadership over literary and art work, which is very complicated, and which involves very extensive fields. They should guide writers and artists to take the initiative in upholding the four basic principles, to go deep among the masses and have contacts with them, to pay attention to the social effects of intellectual products, and implement the principle of serving the people and socialism. Literary and art work is also arduous and creative mental labor, which very much requires the full performance of the individual's creative spirit. Therefore, we should not only dare to lead but also be good at leading. On the one hand, we should convey the guidelines of relevant documents to literary and art workers at regular intervals, and explain the political and economic situations to them so that they can better understand the general situation and master the developing trends of the era.

On the other hand, we should urge leading cadres to acquire some literary and artistic knowledge, to participate in cultural activities enthusiastically, and to extensively make friends with comrades in literary and art circles. Leading comrades and literary and art workers should become close friends who have no misunderstandings between them, who are not wary of each other, and who would talk about whatever they know and give forthright admonition. When problems arise, we should not solve them with administrative orders, but should develop democracy in the artistic field, and exchange opinions with literary and art workers on an equal footing. In appraising and handling literary and art works, leading persons should avoid having the "final say," deciding the fate or destiny of one work with one word. Leading persons, writers, and critics should discuss and exchange their different views on certain works and learn from each other. We should allow writers to have their own artistic views and should not jump to conclusions regarding problems under discussion. With regard to the very small number of works with erroneous tendencies, we should treat them prudently, criticize them straightforwardly, and help solve the problems.

Comrades! Located in the border area, our province is one of the country's agricultural, forestry, machinery, and petrochemical industrial bases. It has vast territory and abundant resources, and a glorious revolutionary history. Since the 3d Plenary Session of the 11th CPC Central Committee, great changes have taken place in various fields of work. The third enlarged plenary session of the fifth provincial CPC Committee also set forth a strategic policy of "conducting system reform and technical transformation, and opening to other domestic areas and foreign countries" for economic development. Following the economic development in our province, a new situation in which literature and art continue to flourish will certainly emerge. The provincial CPC Committee hopes that all literary and art workers will raise their spirit for reform with boldness in response to Comrade Hu Yaobang's call for great vigor, great unity, and great prosperity, and make still greater contributions to the socialist material and spiritual civilizations of our province.

I wish this congress many successes.

WANG XIANJIN INTERVIEWED ON JILIN RECTIFICATION

SK160521 Changchun Jilin Provincial Service in Mandarin 1030 GMT 14 Jan 85

[Recorded interview by unidentified reporter with Wang Xianjin, member of the group for guiding party rectification work under the provincial CPC Committee and Standing Committee member of the provincial CPC Committee, on the situation of the first stage of party rectification work -- date not given]

[Excerpts] Reporter: Comrade Wang Xianjin, would you please introduce the province's party rectification work?

Wang Xianjin: Yes. In line with the requirements in the decision on party rectification and under the instructions and assistance of the liaison group of the Central Commission for Guiding Party Rectification, the provincial CPC Committee had conducted the party rectification by closely linking it with reform and economic work. Reviewing the party rectification work in the past year, we mainly persisted in the following four principles.

Reporter: Oh! Four principles. What are they?

Wang Xianjin: First, we have eliminated the leftist influence, corrected the ideology for guiding professional work, enthusiastically promoted reform, and implemented the principle of party rectification. In the course of party rectification, we have centered on the general tasks and the general goal of the 12th party congress, proceeded from the province's reality, and eliminated the leftist influence.

While making collective comparison and examination last March and April, the Standing Committee of the provincial CPC Committee found such problems as having conservative ideas, handling affairs in accordance with rules, being satisfied with the current situation, and having no great achievements. In short, we lack a spirit of reform. In order to realize the province's fighting goal in 1985, we should make great breakthroughs and advance with big strides in reform. While inspecting our province in the middle 10 days of last May, the central leading comrade had set forth important instructions on the reform of the economic structure. This greatly advanced the work of further emancipating our minds and accelerating the pace of reform. The party members and leading cadres at the party rectification units should persist in the party rectification work, open up ways for reform, eliminate the ideological obstacles for reform and make achievements in party rectification to push the reform and economic work ahead. We should carry out the reforms in all fields and open up channels for conducting the urban economic reform well, so as to gather the water of the stream into the large river. On the basis of this achievement, the provincial CPC Committee has set forth 10 regulations on relaxing the policy of restraint.

Reporter: The provincial CPC Committee set forth the 10 regulations last July.

Wang Xianjin: Yes.

Reporter: What is the second principle?

Wang Xianjin: Second, we have conducted education on thoroughly negating the Great Cultural Revolution.

Third, we have attended to the economic work. The key to conducting the party rectification is to ensure the realization of the quadrupling goal by the end of this century and the construction of socialism with Chinese characteristics. In the entire course of party rectification, we must persist in this principle.

Reporter: What is the fourth principle?

Wang Xianjin: Fourth, we have educated party members to be qualified under the new situation. All party rectification units have taken various forms to conduct education on the general line, tasks and principles under the new situation among the party members and turned the slogans of rejuvenating China and realizing the four modernizations into the practical actions of party members. Since the beginning of party rectification work, the provincial-level organs have recruited 451 party members. Among them, 352 are intellectuals.

JINGJI GUANLI ON REFORM OF LIAONING ECONOMY

HK160757 Beijing JINGJI GUANLI in Chinese No 11, 5 Nov 84 pp 10-11, 23

[Article by Li Guixian: "Persist in Reform To Revitalize Liaoning"]

[Text] In order to bring about the four modernizations, it is necessary for us to carry out a series of reforms, and these reforms must run through the entire process of the four modernizations. This is an exceedingly important guiding ideology decided on by the Central Committee after the 3d Plenary Session of the 11th CPC Central Committee. The correctness of this guiding ideology has been proven by practice over the past few years. In order to rapidly develop the forces of production in society and build socialism with Chinese characteristics, we must persist in reform. Reform produces speed and results. The situation in Liaoning shows that in transforming and revitalizing this old industrial base, the key lies in reform. Liaoning is a heavy industrial base set up during the First 5-Year Plan period. Its four major industries are iron and steel, machine-building, petrochemical engineering, and building materials. After 35 years of construction, it has now become an economically well-

developed area with a relatively complete range of industries and a fairly solid material and technical foundation, and occupies an important place in the national economy. The original value of fixed assets for the province's industrial enterprises totaled 53.1 billion yuan in 1983. This accounted for 9.8 percent of the national total and ranked first in the country. Its gross industrial output value accounted for 8 percent of the national total, while revenues accounted for 6 percent. Its production of major products from the metallurgical, machine-building, chemical, power, and building material industries also accounted for a fair percentage of the national total. The province has indeed contributed its share toward China's socialist economic construction. But, in terms of the requirements laid down by the 12th CPC National Congress for creating a new situation in all fields of socialist construction, it still lags far behind the advanced fraternal provinces. The main reason for this is that here the rate of production development is slow, economic results are poor, the work of science and education cannot meet the needs of economic construction developments, and the competitiveness of its products is poor. There are many causes for these problems, but the major cause is that we have not fully emancipated our minds, are wanting in creativity and boldness, and are too reserved to take a big stride forward in reform. In the present party rectification, we have conscientiously summed up experience and lessons in regard to the question of reform and come to profoundly realize that as one of China's old industrial bases, Liaoning must carry out reform if it wishes to advance its economy and rejuvenate. In the light of actual conditions in Liaoning, the provincial CPC Committee put forward the objective of "revitalizing Liaoning, serving the country, and catering to the world." In order to attain this objective, the committee also put forward the eight-character strategic measure of "reforming, opening up, transforming, and exploiting [gaige kaifang gaizao kaifa 2395 7245 7030 2397 2395 6644 7030 4099]." In this eight-character measure, reform has the place of pride. The spirit of reform must run through all processes of opening up, transforming, and exploiting. Only when reform has been properly carried out can we bring the initiative of all quarters into play, and transform and revitalize this old industrial base. Only in this way can we achieve the goal of quadrupling the gross annual value of industrial and agricultural production ahead of schedule and raise the people's living standards to a moderately well-off level ahead of schedule. In order to do a good job of reform, we must continuously eliminate the influence of "leftist" ideas and the shackles of old forces of habits, emancipate our minds, and be bold in blazing new trials. Liaoning, being a "seriously afflicted area" in the "Cultural Revolution," was gravely affected by "leftist" influence. Before liberation, it was under the domination of the Japanese puppet government for a long time. During the First 5-Year Plan period after liberation, the province mechanically copied foreign economic management patterns in many fields. The effect produced by this is very profound. Thus, in carrying out reform, we must, starting with the provincial government, guide various departments and units to thoroughly study and grasp the guiding ideology, principle, and general and specific policies of the party Central Committee and State Council on reform. Leading cadres at all levels must be helped to acquire a correct attitude and a better understanding, and see the pressing need for reform so that reforms can proceed in big strides. At the same time, we must persist in proceeding from reality in reform and closely combine enthusiasm for reform with a scientific attitude. For a province, this means that we must proceed from the conditions in the province, persist in carrying out reform in a planned, systematic, and orderly way with a specific goal in mind, and work out a set of methods that suits the actual needs in the province. Liaoning is a predominantly industrial province. It has a huge urban population, a large number of big and medium-sized cities and enterprises, and many enterprises that are subordinate to central ministries or provincial authorities. These are the major characteristics of Liaoning in terms of the urban economic structure and management system. Proceeding from these characteristics, we should, in restructuring the urban economy in Liaoning, start with the elimination of the practice of enterprises eating from the "big pot" of the state and employees from the "big pot" of enterprises so as to bring the initiative of the enterprises and the staff and workers into play and reinvigorate the enterprises.

We should also fully bring into play the strong points of the big and medium-sized cities and bring into play the central role of cities in organizing economic activities so as to make the economic structure more suited to the development of the forces of production.

The economic management structure is a comprehensive system formed of a number of mutually conditioning essential factors. It includes the system, mode, and method of economic management and involves production, circulation, distribution, consumption, and other aspects, both microeconomic and macroeconomic. Reform is bound to touch on all aspects of this structure. Thus, in our reform, we should pay attention to working out a set of reform measures that are suited to present needs and put them into practice simultaneously. Premier Zhao Ziyang discussed the five aspects of our present reform in his "government work report." While stressing the implementation of the State Council regulations on further expanding the decisionmaking power of state-run enterprises, he also proposed measures for restructuring the building industry, reforming the circulation system, opening up coastal cities, and bringing into full play the role of intellectuals. In achieving simpler and decentralized administration in leadership organs, departments directly administered by the province should work in close coordination. The pace of reform should be well-coordinated, with units at the higher and lower levels, inside or outside the trade, working toward it at the same time. Since the beginning of this year, we have, at different times, relaxed policies in 15 aspects, including the enlivening of production, the enlivening of circulation, and the rational flow of qualified personnel. Recently, we have organized various produce-administered departments to carefully screen policies, regulations, systems, and so on, laid down in the past. Out of macroeconomic considerations, all old conventions and methods that fetter the growth of the forces of production were abolished. Steps were taken to study and work out reform measures and methods that are suited to new conditions, and reform measures already transmitted to lower levels were constantly amended and revised. In the internal restructuring of enterprises, we also paid attention to working out "a set of reform measures on a small scale" and mainly concerned ourselves with the simultaneous reform of the leadership system, management system, and mode of distribution. Meanwhile, some enterprises have been given greater decisionmaking power. They have instituted the economic responsibility system, tried out the system under which factory directors assume full responsibility, introduced a system of tenure for cadres and a system of employing the best qualified on contract, and adopted the method of imposing "no ceiling or lower limit" in regard to bonuses. Though faced with pressure from outside, these enterprises have become reinvigorated because they have vitality as well as power. Facts show that through working out "a set of reform measures on a small scale," many enterprises have smoothed various relationships and made notable improvements in terms of the rate of development and economic results.

We must fully bring into play the central role of cities and continuously improve the system of cities administering counties. This is an important aspect of the reform of the economic structure in Liaoning. How to manage large and medium-sized key enterprises well is a problem to which our province has been unable to find a good solution for a long time. We had many province-owned enterprises and they were subject to excessive and rigid control. This practice was neither conducive to the development of the enterprises themselves, nor conducive to bringing into play the initiative of various cities. On the basis of fully conducting investigations, soliciting views, and summing up experience and lessons, it was decided that with the exception of specialized corporations required by the state, departments and bureaus at the provincial level should not, as a rule, be directly responsible for enterprises. The first batch of 45 such enterprises had already been put under the administration of cities where they are located. Recently, a second batch was also put under city administration. After freeing themselves from the responsibility of administering enterprises, the provincial departments and bureaus should shift the focus of their work to strengthening the management of the entire trade, studying principles and policies, mapping out long-term plans, organizing information feedback and the exchange of experience, strengthening supervision and checking up, and improving coordination and services.

This is conducive to encouraging competition between big, medium-sized, and small enterprises, resolving contradictions between enterprises and localities, helping enterprises overcome ideas of depending on others, and increasing their internal vitality. This also helps key cities make overall arrangements and organize economic construction. In order to bring the role of key cities into full play, we must also duly reform the administrative structure. Practice over the years has proved that in a place like Liaoning, which is more economically developed and predominantly industrial and which has a great number of cities, the implementation of the leadership system which makes cities responsible for the administration of their surrounding counties will contribute to bringing into play the role of key cities and overcoming some of the irrationalities in our economic life, such as creating barriers between the urban and rural areas and between different departments or regions, blocking the channels of circulation, and departments and regions hamstringing one another. It can further promote economic ties between the urban and rural areas and gradually form economic zones with cities as the center, rural areas as the base, and towns as the link. In these economic zones, we can see the integration of the urban and rural areas, departments and regions, and agriculture, industry, and commerce, and each unit can maintain its own characteristics. In order to improve the leadership system of cities administering counties, the State Council has, this year, approved the establishment of the province-administered Panjin, [4149 6930] City, the abolition of the commissioner's offices of the Tieling, [6993 1545] and Chaoyang, [2600 7122] Prefectures, and the setting up of the province-administered Tieling and Chaoyang Cities to lead their subordinate counties.

At present, the system of cities administering counties is being instituted throughout the province. The provincial government is now considering changing those county seats and towns that enjoy better conditions into county-level cities and speeding up the construction and transformation of small cities and towns so that they can truly become the bridge and link between the big and medium-sized cities and the vast rural areas and meet the needs of the rapid development of commodity production in the urban and rural areas. In order to explore ways of bringing the role of key cities into play, the state has recently given the green light to experiments in comprehensive urban restructuring in Shenyang, Dalian, Dandong, and other cities. Taking Shenyang as the hinterland and Dalian as the forward position and, together with the many medium-sized and small cities surrounding them, we should set up an economic network where there is coordination between specialized departments, mutual combinations, and integration of the urban and rural areas, and where each city can maintain its own characteristics. The development of this modernized southern Liaoning economic zone will fully bring into play the strong points of Liaoning. This will not only revitalize Liaoning's economy sooner, but will contribute much toward economic development in the northeastern provinces and in the whole country.

We must persist in reforming the structure of ownership and ensure the coexistence of diversified economic forms. For many years, influenced by the "leftist" idea of "large in size and having a higher degree of public ownership," there is a tendency to "stress ownership by the whole people, slight collective ownership and reject individual undertakings." Thus, the development of the collective and individual economies was slow. This was an important reason why our province was slow in economic development and, poor in economic results, and lagged behind other advanced provinces and municipalities. In the course of reform, we have conscientiously summed up experience and lessons in this regard, grasped the development of the collective economy as a strategic task, and energetically promoted the development of urban and rural collective economy and the economy of individual laborers while ensuring the leading role of the state sector. At the same time, relevant policies have also been relaxed. For example, because we emphasized big enterprises owned by the whole people at the expense of smaller ones owned by collectives, some enterprises were forced to suspend or cut production because of energy shortages. On the other hand, no effort was made to exploit the rich coal resources in the localities, with the result that we had no coal to burn although we had reserves, and were unable to speed the flow although we

had water. In the present reform, we have adopted a more flexible policy in regard to small coal mines. We insisted on bringing the role of the state, the collective, and the individual into play, permitted contracting by collectives or by individuals and contracting to be fulfilled by hired laborers, suitably readjusted the price of locally produced coal, and improved on the method of subsidizing small coal mines that incur losses in their operations in order to promote the development of local small coal mines. The annual output of these small coal mines must increase from the present 6 million tons to 12 million tons in 1990 before the energy shortage in Liaoning can be alleviated. This year, the province must realize "three 15 percent" and "five batches" in its urban collective economy. That is, a 15 percent increase must be achieved in industrial output value, in the turnover of retail sales, and in profits and taxation. Every big city must develop a batch of urban areas with a collective economy capable of yielding over 100 million yuan in terms of output value (including the turnover of retail sales) and over 10 million yuan in terms of profit. Every medium-sized city must develop a batch of urban areas with an annual output value exceeding 50 million yuan and profits exceeding 5 million yuan. Every big or medium-sized city must develop a batch of neighborhoods with annual output value exceeding 10 million yuan and profits exceeding 1 million yuan. A batch of "one-superior and three-new" enterprises (that can create one kind of product of superior quality, develop a new kind of product, adopt a new technological process, or popularize a new technique) must be set up. Also, a batch of industries which are superior to others of their type within the country and which turn out products that are strongly competitive, must be developed in the province.

We must promote the technical transformation of industrial enterprises through reform. Fettered by old conventions, Liaoning -- China's earliest industrial base -- has not carried out any planned technical transformation in the past 35 years. Its key enterprises are made up mainly of old plants where equipment is outmoded. The problem of technology becoming outdated is very pronounced. The four major steel works, the three chemical plants, the five major cement plants, and many of the key machine-building plants in the province were established before the 1950s. In order to revitalize Liaoning's economy, it is necessary to promote technical transformation through reform and transform traditional industries with the help of new technology so as to rejuvenate these old enterprises. This is the fundamental way for Liaoning to revitalize its economy. In order to create a new situation in this connection as quickly as possible, relevant departments directly run by the province have paid attention to giving the "green light" to technical transformation, instituted a strict system of economic responsibility for key technical transformation projects, and introduced economic contracting. They have also reduced and simplified the levels and procedures necessary for examination and approval, and increased the amount of foreign exchange which each city is allowed to use. In regard to key industries that urgently need to be transformed, the depreciation rate must be suitably raised upon approval by the state.

We must adopt the method of transformation by reverse process which begins from the production line, and strive for early results. Money thus produced should be accumulated and used again for technical transformation purposes. This method of collecting returns on investment while carrying out transformation can produce better investment results.

The reform of the economic structure is a great change in the process of the four modernizations. This requires us to continuously raise our level of consciousness in reform. Marxism tells us that man's society develops and advances through constant reforms. The replacement of one social system by a more advanced one can also be seen as a kind of reform; but then this is a major social change, a revolution. Thus, in order to promote the development of the forces of production within a social pattern, the relations of production and the superstructure must also be changed in conformity with the governing laws. No social pattern can remain unchanged. As Engels pointed out: "So-called 'socialism' is not something immutable. Like any other social system,

it should be viewed as a constantly changing and transforming society." ("Collected Works of Marx and Engels," Vol 37, p 443). While the problems existing in our country's socialist economic construction are directly related with erroneous "leftist" ideas which existed for a long time in the past, we cannot but admit that our failure to profoundly understand the defects of the economic structure and to carry out reform in time is also an important cause. History has proved that if we do not reform those economic management systems that are not suited to the socialist system, we will not be able to fully bring into play the superiority of socialism and there will be no way of achieving the four modernizations. We must understand the question of reform from a high plane, as an issue that has a vital bearing on the success or failure of the entire socialist cause, on whether or not we can build socialism with Chinese characteristics, and on whether our country and people can become better off quickly.

In reforming the economic structure, we must adhere to the principle that reform must be conducive to the building of socialism with Chinese characteristics, to the country's prosperity, and to the people's affluence and happiness. We must always give due consideration to the interests of the state, the collective and the individuals, and ensure that the state gets the big share, the collectives get a medium share, and the individuals get a small share. In this way, reform can proceed along a healthy track. It is true that reform is a profound revolution involving complicated changes, and errors are unavoidable. It is all right to make mistakes. We must allow for mistakes in reform. But we will not tolerate refusal to carry out reform. In order to enliven our minds and remove misgivings about reform, we have, in the light of experience and lessons gained in the preceding stage, recently organized cadres of departments concerned to discuss in earnest the "four correct handlings," that is, the correct handling of the relationship between reform and policy requirements set by the higher level, the correct handling of old experience and methods, the correct handling of problems arising in the course of reform, and the correct handling of comrades who have the courage to carry out reform. We have thus further removed ideological obstacles on the road of reform. In relaxing policy restrictions in various fields, we must refrain from laying down provisions that are too specific, allow the local authorities to make breakthroughs in the light of their actual conditions, and avoid hampering the initiative of the grassroots units. We must mobilize the vast number of cadres and the masses to actively join in the great mass fervor for reform. At the same time, we must proceed from reality, and refrain from seeking uniformity, practicing formalism and rushing headlong into mass action. We must go deep into the realities of life to conduct investigations and study, carry out experiments at selected points, grasp typical models, discover new conditions and new problems emerging in the course of reform, work out solutions, and sum up new experience so as to make as few detours as possible in reform.

At present, we are organizing party and government cadres at all levels to conscientiously study and implement the guidelines of the 3d Plenary Session of the 12th CPC Central Committee in an effort to lead the reform to still greater depth, accelerate Liaoning's economic take-off as quickly as possible, and make new contributions to the whole country.

TAIWAN SHOULD PUNISH MURDERERS OF JIANG NAN

OW180613 Beijing in Mandarin to Taiwan 1500 GMT 16 Jan 85

[Station commentary: "The Taiwan Authorities Should Promptly and Thoroughly Investigate the Murder of Jiang Nan"]

[Text] The Taiwan authorities have finally admitted that some members of the Taiwan Intelligence Bureau were involved in the murder of Jiang Nan, a case that shocked this country and the rest of the world. They admitted involvement in the incident 3 months after it took place. The Taiwan authorities' statement helped investigators to better understand the case.

The murder of Jiang Nan last October aroused grave concern both at home and abroad. Public opinion of all circles strongly demanded a thorough investigation to track down the murderers. Many articles were written citing numerous facts to point out that the Taiwan authorities were involved in the murder. Taiwan's reports of the murder of Jiang Nan were obscure in order to try to shift public attention; but, you cannot wrap fire in paper, nor can you use lies to conceal the truth.

Under the pressure of public opinion, the Taiwan authorities have finally admitted their involvement in the murder case. Taiwan officials, however, shied away from reporters' questions as to why the Taiwan authorities resorted to the vicious tactic of murder, how many persons were involved in the case, and who masterminded it. It seems that the Taiwan authorities have something too embarrassing to mention. But, they have already admitted their involvement in the murder of Jiang Nan, and should tell the world's people the whole truth and promptly and thoroughly investigate the case and punish those who were involved. Only in this way can they console the soul of the deceased.

EDITORIAL VIEWS VESSEY VISIT TO MAINLAND

OW171511 Taipei LIEN HO PAO in Chinese 9 Jan 85 p 2

[Editorial: "What Is the Purpose of the U.S. Military Chief's Visit to the Mainland?"]

[Text] John Vessey, chairman of the U.S. Joint Chiefs of Staff, with William Crowe, commander in chief of the U.S. Pacific Command, and other high-ranking military leaders will arrive in Peking on 12 January for a week-long visit to the mainland. This is just 1 month dating from 12 December 1984 when the plan for the visit was first announced by the U.S. Department of Defense.

Since the United States and the Chinese Communists began their direct contacts in 1971 and especially after their establishment of diplomatic relations in 1979, it has not been strange for U.S. Government officials, both military and civilian, to visit the mainland; and beginning last year, official military delegations have been formed and sent to the mainland by the United States. However, Vessey's visit will be the first ever by a top U.S. military chief -- chairman of the Joint Chiefs of Staff -- leading high-ranking military leaders to the mainland. As people recall, the United States has never given such unusual treatment, since the end of World War II, to any country in the communist bloc, including Yugoslavia, which was openly hostile to the Soviet Union in the early 1950's.

Although two incumbent U.S. defense secretaries and one former U.S. defense secretary visited the Chinese mainland in the past few years, their visits could not be compared to the one to be made by Vessey. The defense secretaries' visits were aimed mainly at acquainting themselves with the state of the weapons, equipment, and logistics of the Chinese Communist Armed Forces with a view toward offering technology to change their backwardness. The main purpose of the military chief's visit, on the other hand, is to understand how education and training are being conducted and how the work of command and General Staff is being carried out in the Chinese Communist Armed Forces so as to seek ways to maintain contacts with them and raise their combat capabilities. If we say that the visits made, one after another, by U.S. defense secretaries led to U.S. arms sales to the Chinese Communists, then what will be the outcome of the beginning of U.S. military chiefs' visits to the mainland?

Thus far, the United States has expressed time and again that the Chinese Communist regime is only a friendly country to the United States rather than an ally. Likewise, the Chinese Communists have also proclaimed repeatedly that they belong to the Third World and will never ally with any big power. Such being the case, why does the United States decide to send its military chief to visit the mainland and why will the Chinese Communists receive this U.S. military chief whose mission is to see how their Armed Forces are being trained and commanded? It can be envisioned that after on the spot observation of the Chinese Communist Armed Forces, if Vessey finds that their training and command are radically inadequate for modern warfare, then the next step to be taken by the United States will be offering a complete series of improvement measures. One measure is to ask the Chinese Communists to send their military personnel to the United States to receive modern combat training. Another measure is for the United States to dispatch a military advisory group to the mainland to help train the Chinese Communist Armed Forces. The ultimate goal is to virtually subject the Chinese Communist Armed Forces to U.S. influence and to turn them into a link in the overall U.S. strategic chain. Is this kind of planning and relationship something very ordinary?

It is quite possible that some people may think that the announcement first made by the United States at the end of last year about the visit to the mainland by a delegation led by Vessey was a decision reached at that time.

However, facts have now proven that Vessey's visit as well as the plan for mainland port calls by the U.S. fleet had been decided upon by Chang Ai-ping and U.S. Defense Secretary

Caspar Weinberger during the former's visit to the United States last year. Following Vessey's visit to the mainland, not only will a contingent of the U.S. 7th Fleet make its first call at a mainland port in the near future, but responsible military officers and high-level military leaders from the Chinese Communist side will also make reciprocal visits to the United States. As a matter of fact, Vessey's visit will serve to open the door, for the first time, to this kind of military exchange between the two sides.

People must be at a loss to know why the United States wants to take such an action. The United States should in no way make such a move, judging from its bilateral relations with the Chinese Communists. Nonetheless, many international issues may not be understood by those who are not involved in them, nor can ordinary people perceive the seriousness of the Soviet threat that the United States is facing now in the western Pacific region. What is most noteworthy is that the Soviet Union has not only stationed its long-range bombers, high-altitude reconnaissance planes, and nuclear submarines in Vietnam, but at the end of last year also dispatched MIG-23 fighters to that country. This deployment made by the Soviet Union has apparently constituted a serious threat to the Southeast Asia navigational routes of free countries in the western Pacific region. As a countermove, the United States wants to pose a similar threat to the Soviet navigational routes in Northeast Asia. Such a counterthreat can be effectively carried out if the United States strengthens its ties with the Chinese Communists so that the U.S. nuclear fleet can use the Huang Hai base on the mainland. As to whether the Soviet Union has new military plans in Southeast Asia and the Middle East, it is a matter that ordinary people have no way of knowing about. Is the above really the U.S. motive and thinking?

Even if this were its motive and thinking, the United States should at all times think of the side effects on free Asia as a whole caused by its collaboration with the Chinese Communists. In particular, the Republic of China and the Chinese Communist regime are two opposite entities separated only by a strait. If the United States maintains too close ties with the Chinese Communists without simultaneously giving equivalent support to the Republic of China, the balance of forces in this area will be affected, and U.S. long-term interests will be jeopardized. For this reason, how to provide the Republic of China with new naval and air weapons so as to make the overall U.S. strategy flawless while getting closer to the Chinese Communists will be a big test of the intelligence of the U.S. leadership today.

EXECUTIVE YUAN ON U.S.-PRC MILITARY COOPERATION

OW180624 Taipei CHUNG YANG JIH PAO in Chinese 13 Jan 85 p 1

[Excerpt] The Executive Yuan pointed out yesterday: The government has been closely watching the cooperation between the United States and the Chinese Communists in military affairs, science and technology, nuclear energy, and other fields. We have made our solemn and just stand known to the United States on several occasions, holding that scientific and technological transfers by the United States to the Chinese Communists will increase the communists' military, scientific and technological strength, and whet their ambitions of aggression against other countries. This will not only jeopardize the security of our country but will also upset the balance of power and stability in the Asia-Pacific region. This is particularly unfavorable to the free world. The U.S. Government fully understands our country's position.

The Executive Yuan made the above remarks in its written reply to an interpellation by Chiang Peng-chien, member of the Legislative Yuan, about our trade with the United States and our foreign policy. The Executive Yuan stated: Strengthening our relations with the United States is one of our government's major tasks in foreign affairs. Political, economic, and trade relations have steadily developed. Scientific and technological, and cultural exchanges as well as arms sales and mutual visits between the two countries have also steadily developed. Continuing efforts should be made to promote such development.

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